

Another Big Tragedy
 Fisher, whose divers were up the first part of the \$400 million worth of the wreck, was killed by a 540-ton Spanish ship near Key West. Fisher's major treasure was a 1490 gold doubloon, which he had been carrying on his person. Fisher was killed by a 540-ton Spanish ship near Key West. Fisher's major treasure was a 1490 gold doubloon, which he had been carrying on his person. Fisher was killed by a 540-ton Spanish ship near Key West. Fisher's major treasure was a 1490 gold doubloon, which he had been carrying on his person.

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Algeria... 15,170,000...
 Argentina... 23,000,000...
 Australia... 16,000,000...
 Belgium... 10,000,000...
 Brazil... 140,000,000...
 Canada... 28,000,000...
 China... 1,100,000,000...
 France... 60,000,000...
 Germany... 61,000,000...
 India... 800,000,000...
 Italy... 105,000,000...
 Japan... 120,000,000...
 Mexico... 90,000,000...
 Netherlands... 15,000,000...
 Pakistan... 90,000,000...
 Poland... 35,000,000...
 Russia... 220,000,000...
 South Africa... 25,000,000...
 South Korea... 35,000,000...
 Spain... 45,000,000...
 Sweden... 8,000,000...
 Switzerland... 7,000,000...
 Taiwan... 18,000,000...
 Thailand... 55,000,000...
 Turkey... 55,000,000...
 U.S.A. (incl. Alaska)... 240,000,000...
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 Yugoslavia... 20,000,000...

ESTABLISHED 1887

France Recalls Pretoria Envoy, Halts Investment

By Frank J. Priol
New York Times Service
PARIS — France recalled its ambassador to South Africa on Wednesday and suspended all new investment in a protest against the government's policy of apartheid. The number of arrests in the crackdown has risen to more than 600.

The punitive measures, announced by Prime Minister Laurent Fabius, are the most serious taken against South Africa by a Western country since the state of emergency was imposed in 1976.

There was no immediate comment on the move by the South African government.

Mr. Fabius said that both the recall of Ambassador Pierre Boyer and the suspension of investment were effective immediately. He said that the two measures had been decided on by the French cabinet at its weekly meeting Wednesday morning.

In May, the Socialist government reversed a long-standing policy of opposing economic sanctions against South Africa. At the time, Mr. Fabius said that investment in the white-ruled nation would be cut within 18 months unless basic respect for human rights improved markedly. Wednesday's action moved up that timetable by almost 16 months.

In his statement, the prime minister said: "For all people who support justice and the rights of man, the apartheid regime in South Africa is inadmissible. It institutionalizes racial discrimination; it undermines the moral and political principles on which our society is based."

"Events of the last few days have shown a grave and serious deterioration. By installing the state of emergency and conferring full powers on the army and police, in multiplying arbitrary arrests and in



100 FREED — Former detainees waved to friends after Israel released them Wednesday from the prison at Aftit, north of the Israeli defense line in south Lebanon. In Beirut, the Shiite Moslem leader, Nabih Berri, criticized Washington for failing to secure the freedom of all the Lebanese in Aftit. About 330 are still being held.

U.S. Maneuvering Between Israelis, Arabs

By Bernard Gwertzman
New York Times Service
WASHINGTON — The Reagan administration, in attempting to cater simultaneously to the interests of two of its closest friends in the Middle East — Israel and Jordan — is in serious danger of offending both.

The issue is how Palestinians should be included in the peace process, a problem that has been at the heart of the Mideast impasse for nearly 20 years.

It has never been easy for the United States to maneuver smoothly between Israel and moderate Arabs because the Arab and Israeli interests rarely coincide. The current difficulty is more pronounced because the United States is being asked by Jordan to deal with Palestinians chosen by Yasser Arafat, the leader of the Palestine Liberation Organization, and that has raised serious alarms in Israel.

The immediate question is whether to accept King Hussein's proposal for the United States to meet with a Jordanian-Palestinian delegation, thereby keeping alive the Jordanian leader's peace initiative, or to yield to Israeli assertions that the United States should not sit down with Palestinians but instead press Hussein to agree to meet Israel in direct negotiations, perhaps accompanied by some Palestinians approved by Israel.

Hussein contends that no agreement is possible without high-level Palestinian involvement in the negotiations. Israel, having negotiated a peace treaty directly with Egypt, would like to repeat that formula with Jordan, although it

India Reports Peace Accord With Sikh Party

United Press International
NEW DELHI — The Indian government and a major faction of the Sikhs' political party reached agreement Wednesday to end four years of strife, which led last year to the army's attack on the revered Golden Temple and the subsequent assassination of Prime Minister Indira Gandhi.

The agreement was announced in Parliament by Prime Minister Rajiv Gandhi after two days of negotiations between officials and the Akali Dal.

"I have great pleasure in announcing to the house that after some months we have taken a very concrete step forward today," Mr. Gandhi said. Referring to a leader of the Akali Dal, he added, "About 20 minutes back, Mr. Harchand Singh Longowal and I have signed a memorandum of settlement."

Mr. Longowal said later, "The period of confrontation is over and we are fully satisfied with the deal."

[Before the announcement, hardline Sikh politicians discounted Mr. Gandhi's efforts to reach an accord. Reuters reported from Chandigarh.]

[Joginder Singh, leader of a militant faction of the Akali Dal, said in a statement that Mr. Longowal had no authority to speak on behalf of the Sikhs. "Ours is the real Akali Dal and the government should negotiate with the ad hoc committee I have appointed," he said.]

[Parkash Singh Badal, an Akali Dal leader and a former Punjab chief minister, said the government must punish anti-Sikh rioters who killed more than 2,700 people after the assassination of Mrs. Gandhi in October.]

The government conceded all the major demands of the party, which claims to represent most of India's 15 million Sikhs, who form 2 percent of the nation's population.

Under the pact, the government agreed to:

- Designate Chandigarh as the capital of Punjab state, where most Sikhs live. Chandigarh is presently the shared capital of Punjab and Haryana.
- Hindu-speaking areas added to Chandigarh when it became the capital will revert to Haryana state.
- A federal commission will be set up to determine specific areas of Punjab that should go to Haryana because of the loss of the capital.
- A river-waters dispute is to be

(Continued on Page 2, Col. 4)

Thatcher Almost Loses Vote on Pay Increases

By Harvey Morris
Reuters
LONDON — A revolt within the ruling Conservative Party brought the government to within 17 votes of a parliamentary defeat over plans to substantially increase the salaries of some top public officials.

In the worst rebellion that Mrs. Thatcher has faced since a landslide election victory in 1983 gave her a 140-seat majority in the House of Commons, 48 Conservative parliamentarians voted with the opposition Tuesday night and 50 abstained.

The rebels were apparently swayed by complaints from their constituencies about the government's plans to increase the salaries of 2,000 armed forces officials, judges and top civil servants by between 12 percent and 46 percent over the next year.

The Conservative dissidents were among those who accused the government of insensitivity in awarding pay increases of up to £20,000 (\$28,000) in a single year at a time when it was urging low-paid workers in the private sector to accept single-digit percentage increases and has offered public-sector teachers only 6 percent. Some public-sector unions have already settled for modest increases.

Mrs. Thatcher defended her decision on the grounds that "they were reasonable salaries for people in view of the onerous duties they had to carry out."

The vote on Tuesday was specifically on an £11,000 increase in the salary of Lord Hailsham, the lord chancellor who is the head of the judiciary, the only increase that Parliament must approve.

The government scraped through on a vote of 249 to 232 in the 650-seat chamber.

Dozens of Labor parliamentarians were absent from the final vote. Their presence could have caused a government defeat followed by a confidence vote.

Some Conservative rebels said in a report on Wednesday, a parliamentary committee concluded that Britain was justified in sinking an Argentine cruiser, the General Belgrano, during the 1982 Falklands war.

But in a minority report, Labor members of the Commons' Foreign Affairs Committee said that questions remained and called for a parliamentary inquiry into the affair.

The General Belgrano was torpedoed in the south Atlantic by a British submarine on May 2, 1982, and 368 Argentine seamen were killed in the bloodiest encounter of the war.

The majority report of the 11-member committee said that the sinking was justified on military grounds and was not undertaken for political motives. Opponents of Mrs. Thatcher have alleged that she ordered the attack to scuttle Peruvian peace efforts.

The report said that the evidence pointed to the General Belgrano being part of a coordinated Argentine formation preparing to attack a British task force steaming for the Falklands.



A worker in the pork sausage plant at Kibbutz Mizra.

Israelis Debate the Politics of Pork

Bills to Ban Sales of 'White Steak' Are Sensitive Issue
By Thomas L. Friedman
New York Times Service
KIBBUTZ MIZRA, Israel — The manager of Israel's biggest pork factory sits behind his desk wearing a long white butcher's coat and a worried wrinkle on his brow.

The sign on the wall above him reads: "Promote Pork. Run Over a Chicken." But pig jokes are not appropriate these days, he grumbles.

Israel's estimated one million pork-eaters are under siege. Two laws pending before the Knesset, or parliament, would make the sale of pork illegal. One of the bills is supported by Prime Minister Shimon Peres.

"I think there are three countries in the world where there are such laws," said the factory manager, Sar-Shalom Eyal. "The first is Libya, the second is Saudi Arabia and in Iran they are trying to push through such a law but haven't yet."

Yossi Sarid, a leftist member of parliament from the Citizens Rights Party, said: "I told the Knesset that they are talking about the pork more than they talk about the PLO. They have presented the pig as a clear and present danger, as if the pigs of the world are attacking Israel and we have to do something about it immediately."

"I myself don't eat pork and I never imagined I would be the defender of pigs," he said. "Esthetically, it is not a creature I admire. But if that is what people want to eat, it is their right."

In many ways the proposed pig-banning laws touch on some of the most sensitive issues in Israel today: the rise of an increasingly militant religious right; the need by Labor Party politicians, who were once hard-core Socialists, to strike a religious pose in order to court an increasingly traditional electorate; and the role of pork in a Jewish nation.

The pig is forbidden by Jewish dietary laws — that is, its meat is nonkosher — because, unlike the cow, it does not chew its cud. Swine are specifically mentioned in the Bible: "Of their flesh shall ye not eat," Leviticus says. "They are unclean to you."

The problem today is that many secular Israelis, who make up at least two-thirds of the population,

Aides Say U.S. Considered Bombing Rebel Training Base Near Managua

By Joel Brinkley
New York Times Service
WASHINGTON — The Reagan administration seriously considered attacking a base in Nicaragua, where it believed Salvadoran guerrillas were trained, according to senior administration officials.

The officials, who included State and Defense Department aides, said Tuesday that they believed one or more of the Salvadoran guerrillas involved in the terrorist attack last month in which four U.S. marines and two U.S. civilians were killed had been trained there.

The plan, discussed at senior levels in the White House, would have involved a so-called surgical air strike against one or more training camps that the administration says Nicaragua has set up in the countryside not far from Managua.

The officials declined to carry out the plan but to warn the Nicaraguan government instead of "serious consequences" should the administration conclude that it was linked to terrorist acts in the future.

Nicaragua has strongly denied that it has either practiced or supported terrorism and has characterized U.S. support of anti-government rebels as state-sponsored terrorism against Nicaragua.

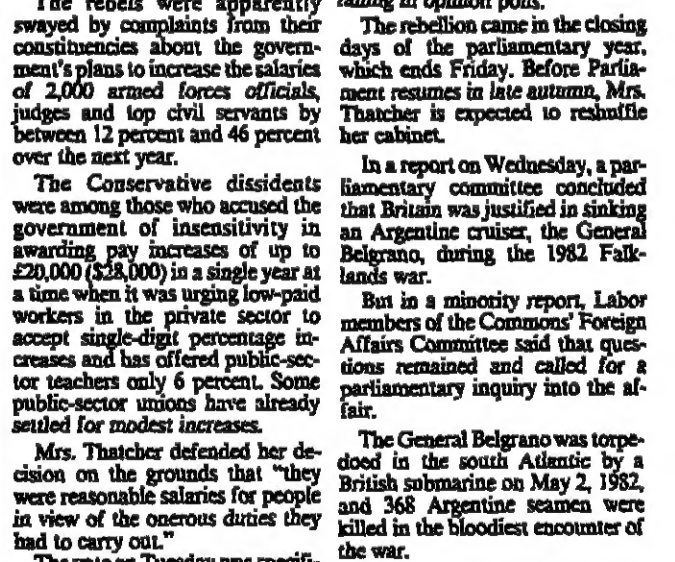
Harry E. Bergold, the U.S. ambassador to Nicaragua, delivered the American warning to the Sandinist government last Wednesday. A senior official said Tuesday that the administration had "laid down the gauntlet" with that warning by stating that a second situation would be sufficient to warrant a limited U.S. military strike.

[Larry Speakes, the chief White House spokesman, said Wednesday: "We have outlined in firm tones our policy on attacking terrorist centers or those responsible for terrorist attacks," United Press International reported from Washington. "That policy remains. The governments responsible understand that."

"We will take appropriate action. The level of our response will be proportionate to the loss incurred," Mr. Speakes said.]

Since last fall the Reagan administration has said that if Nicaragua acquired high-performance fighter planes, like the Soviet MiG-21, the United States would probably order a "surgical" air strike to destroy them. The senior official said the White House had decided that any future Sandinist-inspired terrorist attacks would constitute "another situation like acquiring MiGs."

The term surgical air strike is used to describe a limited attack intended to destroy a specific target and then without further involvement and with limited civilian casualties. Some administration officials say the Sandinists would almost certainly respond to even a limited attack, perhaps by attacking



Daniel Ortega Saavedra

President Daniel Ortega Saavedra, responding to the note, said in a speech last week that "Nicaragua has neither practiced nor supported terrorism, nor has it been involved in any terrorist act." Nicaraguans, he said, were "victims of United States terrorism" because of the U.S. support for the Nicaraguan rebels.

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- The ship, which was sunk in Auckland harbor, was to have left this week at the head of a flotilla to protest against French nuclear testing. Page 5.
- The police arrested the two last week for on a charge of having entered New Zealand illegally on June 22 with false passports. The couple, who say they are Swiss citizens, deny the charge. They are to

Police in Auckland Question Identity Of 2 Arrested in Greenpeace Sinking

The Associated Press
AUCKLAND, New Zealand — A New Zealand court refused bail Wednesday to a French-speaking couple who have been charged with murder and arson in the bombing and sinking of the Rainbow Warrior, a vessel belonging to Greenpeace, the environmental protection group.

The suspects were identified as Sophie Frederique Claire Turenga, 36, and Alain Jacques Turenga, 33. But there was confusion about their true identities and nationalities, and it was not known if they were even related.

The police officer in charge of the investigation, Detective Superintendent Allan Galbraith, said that court appearances by the man and woman did not mean that he was scaling down his inquiries.

The ship, which was sunk in Auckland harbor, was to have left this week at the head of a flotilla to protest against French nuclear testing. A crew member, Fernando Pereira, died in the explosions.

The ship, which was sunk in Auckland harbor, was to have left this week at the head of a flotilla to protest against French nuclear testing. A crew member, Fernando Pereira, died in the explosions.

A New Zealand detective was scheduled to fly to Switzerland to help Swiss authorities and Interpol check the couple.

CLASSIFIED
 Classified ads section containing various small advertisements and notices.

Aides Fail to End Row Over European Fighter

By Axel Krause
International Herald Tribune

PARIS — Five West European defense ministry officials failed at a meeting in Madrid to resolve their protracted dispute over plans for jointly building a new combat plane for the 1990s, participants said Wednesday.

The project, known as the European Fighter Aircraft, is widely regarded as a major test of European cooperation. It could lead to the building of 1,000 aircraft, representing orders of \$30 billion.

Agreement has been blocked by a dispute between France and Britain over such questions as design leadership and engine requirements.

"Unfortunately, the situation is totally deadlocked, with no viable solutions in sight," said a senior aerospace industry executive in West Germany after the meeting, which examined several compromise proposals. No details on the proposals were disclosed.

The defense officials from the five participating countries, which also include Britain, France, Italy and Spain, are to review the results of the Madrid meeting "as a matter

of urgency," said a British Defense Ministry spokesman.

Several officials, who declined to be identified, said that a new meeting would be scheduled in the fall, amid reports in Paris, London and Bonn that several other plans for a new fighter were being studied by defense ministry and industry officials in consultation with their heads of government.

"At this point, it appears that only a political solution at the highest levels can resolve the differences," said a senior official in Bonn. He added that Manfred Wörner, defense minister of West Germany, would continue pressing for a five-nation solution.

If France withdraws from the project, West German officials said, the most likely alternative for Bonn would be to establish a four-nation consortium built around the Tornado fighter-bomber organization. That venture was established by Britain, West Germany and Italy in 1969.

West Germany has also explored building a new fighter with France as the main partner, and is examining several other projects, including cooperative ventures between German and U.S. aerospace companies.

2 Spanish Officers Are Jailed For Holding Mock Executions

United Press International

ZARAGOZA, Spain — Two army officers who herded villagers into a public square for mock executions during war games were sentenced Wednesday to prison terms of four and five months, military authorities said.

A military tribunal here ruled that Captain Carlos Aleman and Lieutenant Jaime Iniguez had been overzealous in carrying out orders, but it acquitted them of charges of military disobedience.

"They were ordered to stage a mock invasion of a town and to make it as realistic as possible, but they went too far," said a Defense Ministry spokesman, Lieutenant Jesus del Monte.

In a scene reminiscent of the Spanish Civil War, Lieutenant Iniguez led a nine-man special forces squad to the northeastern moun-

tain village of Abenez during war games in June 1984.

Prosecutors said soldiers herded villagers into the square, where Lieutenant Iniguez read a proclamation ordering the executions of Mayor José Galindo and the court bailiff, Generoso Ara, for harboring rebels.

As the mayor's wife screamed, Mayor Galindo and Mr. Ara were placed before a wall and Lieutenant Iniguez ordered his men to fire. The soldiers fired blanks.

During the hearing, Captain Aleman acknowledged that the mock executions were his idea. He said he was playing the role of the commander of an invading army.

Lieutenant Iniguez told the panel that he had orders to call off the mock executions if the villagers appeared frightened but that they had appeared calm.

Salvadoran Workers Strike

The Associated Press

SAN SALVADOR — About 15,000 public and private workers staged a one-day strike in El Salvador on Tuesday to demand higher wages and freedom for four jailed labor leaders.

U.S. Ending Case Against President Of Teamsters

By Ronald J. Ostrow and Robert L. Jackson
Los Angeles Times Service

WASHINGTON — The U.S. government has decided to drop its 32-month-old labor fraud investigation of Jackie Presser, president of the Teamsters union.

Government sources said Tuesday night that the investigation was being dropped because the Justice Department had concluded that the case lacked "prosecutive merit."

The politically sensitive case was developed by Labor Department investigators assigned to a federal strike force in Cleveland.

Ray Maria, the deputy inspector general in the Labor Department who oversees labor racketeering investigations, said, "We have no pending investigation of Jackie Presser." He declined to elaborate.

The decision not to prosecute Mr. Presser came six months after federal prosecutors in Cleveland recommended that he be indicted on charges of authorizing union payments to "ghost employees," or cronies who did not work but appeared on the payroll of Cleveland Teamsters Local 507, of which Mr. Presser is secretary-treasurer.

Mr. Presser's reported status as a source of information for the FBI in other investigations was a key impediment to prosecution.

It was also learned that high officials in the Department of Justice had ordered a new inquiry into why the FBI did not tell the department for nearly two years that Mr. Presser had acted as an informant.

Providing information to the FBI does not normally give a person immunity from prosecution. But in Mr. Presser's case, the sources said, FBI officials were concerned that sensitive information about other investigations might be disclosed in the course of prosecuting him.

Mr. Presser is President Ronald Reagan's lone political supporter among major American labor leaders. But throughout the unusually long course of the investigation Justice Department officials insisted that politics would play no role in the case.

The decision not to prosecute is certain to be controversial because of Mr. Presser's political connections and because the Justice Department rejected the recommendation of strike force prosecutors. Department officials had sent the investigators back to the field for more work, delaying the case for nearly a year.

U.S. House Sets Ceiling On Its Spending Bills

Compiled by Our Staff From Dispatches

WASHINGTON — The House approved legislation Wednesday binding all its spending bills to the House budget plan, an attempt to cut the federal deficit without waiting for a House-Senate conference committee to agree on a budget.

The resolution, approved 242-184, commits the chamber to achieving the \$56 billion in savings for the next fiscal year that was called for in the budget it passed earlier. The measure is not binding on the Senate.

The Senate has passed its own budget, also calling for \$56 billion in savings, but the houses differ on which programs to cut. Talks between the two chambers broke down last week after Senate negotiators rejected a House compromise as providing too much for domestic programs and too little for military programs.

"Although I am still working to reach agreement with the Senate conferees on a budget resolution for fiscal year 1986, I believe that the House must take immediate steps to implement its own budget," said Representative William H. Gray 3d, a Democrat of Pennsylvania who is chairman of the Budget Committee.

The move came amid increasing pessimism that the House and Senate will be able to agree on a budget this year.

Thomas P. O'Neill Jr., a Massachusetts Democrat who is speaker of the House, said Wednesday, "Many of us think the budget is not the soundest thing in the world because we waste too much time on it."

Mr. O'Neill's statement followed remarks by some Senate Republicans suggesting that no 1986 congressional budget at all might be better than a compromise that did not cut domestic spending enough.

"My position has been no budget," said Senator John H. Chafee of Rhode Island, the third-ranking member in the Senate Republican leadership. He said that no budget would be preferable to a budget "that is bad and in many respects deceives the people" about how well it would deal with the nation's deficit problem.

Robert J. Dole of Kansas, leader of the majority Republicans in the Senate, and Pete V. Domenici, a Republican of New Mexico who is chairman of the Senate Budget Committee, have both suggested that forgetting a budget could be an option.

Meanwhile, the top Democratic and Republican leaders from the House and Senate met at the White House on Wednesday with President Ronald Reagan.

The session was called to discuss the congressional agenda before legislators leave town Aug. 2 for a monthlong recess. The stalled budget talks, which have backed up other legislative business, are certain to be a prime topic.

Mr. Dole said that he hopes the Senate will have an alternative deficit-reduction package to offer to the House this week, but so far Senate Republicans have not settled on the details of that offer.

(UPI, AP, NYT)

Line-Item Veto Killed

The Senate rebuffed a final attempt Wednesday to break a filibuster blocking a bill to give line-item veto power to President Reagan. The Associated Press reported from Washington.

Even the unexpected help of Senator Edward M. Kennedy and the president's first personal lobbying since his cancer surgery failed to muster the 60 votes needed. The motion to limit debate failed, 58-40.

India Announces Accord With Sikhs

(Continued from Page 1)

adjudicated by a federal tribunal headed by a Supreme Court judge. A report will be submitted within six months and will be binding on both Punjab and Haryana states.

The government also agreed to promote the Punjabi language spoken by Sikhs and to encourage all state governments to protect minorities.

But the government refused to accept Sikh demands that an amnesty be proclaimed for Sikh soldiers who mutinied last year, for withdrawal of army troops from Sikh areas and for termination of special courts in Punjab.

Mr. Longowal, a relative moder-

ate who was unable to control the terrorist element in the party, was released from jail in March this year as Mr. Gandhi's first conciliatory gesture to the Sikhs.

The just-concluded negotiations came as a surprise because the Akali Dal was in disarray. Mr. Longowal led one faction while the other was headed by the father of a zealous religious leader, Jarnail Singh Bhindranwale, who died in the temple battle.

It was not immediately clear if the agreement would pave the way for the lifting of federal rule in Punjab and for state elections. Punjab did not vote in national elections earlier this year because of terrorist activity in the state.

Mr. Gandhi's announcement was greeted by a loud thumping of desks by members of both the ruling Congress (I) Party and the opposition.

The feud had prompted a call by more radical Sikhs for a separate Sikh state to be called Khalistan.



Thomas P. O'Neill Jr.

WORLD BRIEFS

Pentagon Calls Ramming an Accident

WASHINGTON (AP) — The Defense Department has backed off from an earlier suggestion that a Soviet truck may have purposely rammed a U.S. military car carrying three Americans in East Germany two weeks ago. A spokesman said the incident now appears to have been an accident.

The spokesman, Fred Hoffman, said Tuesday that U.S. and Soviet military officials had met after the July 13 accident, which had prompted a U.S. protest. One American soldier was injured slightly in the incident, which occurred on a public highway northeast of East Berlin.

"We're still looking into the matter," Mr. Hoffman said. "But there have been discussions with the Soviets. Indications are that the incident may not have been intentional." He declined to elaborate.

U.S. Completes Middle East Study

WASHINGTON (UPI) — The Reagan administration has completed a study of the military balance in the Middle East that is expected to lead to renewed requests this fall for arms sales to Jordan and Saudi Arabia, the White House said Wednesday.

Larry Speakes, the White House spokesman, said the review had examined "the ability of individual states to react to several levels of threats," including those posed by outside forces, neighboring countries and terrorism.

Decisions on the Middle East have been on hold since February, when the administration, facing opposition in Congress to possible arms requests from Arab states, undertook the review.

Burt Criticizes Soviet Rights Record

BONN (Reuters) — Richard R. Burt, the U.S. ambassador-designate to West Germany, charged Wednesday that the Soviet Union's human rights record has worsened over the past decade and said that the United States would use a meeting in Helsinki of foreign ministers from the West and the Soviet bloc to focus on the issue.

Mr. Burt, at a news conference in Washington relayed to Europe by satellite, said that the United States would accuse Moscow of reneging on its commitments under the 1975 Helsinki accords at next week's gathering to mark their 10th anniversary. He also said that Washington would not consider improving ties with the Soviet Union until it took action to improve its observance of civil liberties.

"The meeting will allow us to remind the world of the failure of the Soviet Union to observe the final act of the Helsinki accords," said Mr. Burt, who stepped down as assistant secretary of state for European and Canadian affairs this week. The 1975 cooperation and security accords pledged the 35 signatory states to adhere to a set of basic guidelines on civil liberties.

Rebel Reportedly Seized With Nkomo

HARARE, Zimbabwe (Reuters) — Zimbabwe's state security minister, Emmerson Mnangagwa, said Wednesday that security forces had raided the house of the chief opposition leader, Joshua Nkomo, and had captured a rebel.

Mr. Mnangagwa interrupted a debate in Parliament on the renewal of a state of emergency in force since 1965 and said that the rebel had been found in Mr. Nkomo's house in the southern city of Bulawayo.

"Nkomo was present when we arrested the dissident but he said nothing," the minister read from a message that he said had just come from intelligence officials in the city, capital of Matabeleland province and Mr. Nkomo's power base. Mr. Nkomo, contacted at his Harare home said: "I haven't heard anything about this nonsense. What is a dissident (rebel) anyway? These are all lies, and they are mad."

Hospital Denies Rock Hudson Report

PARIS (AP) — The American Hospital of Paris denied Wednesday that Rock Hudson, the film actor, is being treated for inoperable liver cancer. It said tests have not yet revealed what ailment is responsible for his collapse and hospitalization.

"As far as we know that report of liver cancer is false," Bruce Redor, a hospital spokesman, said in a U.S. radio interview. A hospital spokeswoman said that Mr. Hudson, 59, was hospitalized Sunday "for fatigue and general malaise" and that so far tests have been inconclusive.

A press agent for Mr. Hudson had said he was suffering from liver cancer and was being treated by specialists from the Pasteur Institute in Paris, which specializes in medical research and has conducted a search for the cause of acquired immune deficiency syndrome, or AIDS.

Shultz Assails Greece Over Hijacking

WASHINGTON (AP) — Secretary of State George P. Shultz told Congress on Wednesday that Greece's release of a self-confessed accomplice to the hijackers of a TWA plane in June was "a terrible way to proceed."

"I personally feel one of the worst things the Greek government did was send the hijacker to Algeria to get their Greeks aboard the airplane out," Mr. Shultz told the House Foreign Affairs Committee during a review of terrorist threats against U.S. diplomats.

He was referring to Ali Atwa, who was arrested at Athens International Airport after being bumped from the flight to Rome on June 14. The plane was hijacked after takeoff. Mr. Atwa said he had intended to be the third hijacker aboard the plane.

For the Record

Mariusz Rajski, a former Polish Army colonel downgraded and expelled from the Communist Party because of views favoring the Solidarity union, was arrested July 3, opposition sources said Wednesday. (APF)

An explosion damaged the Beirut offices Wednesday of the West German airline, Lufthansa, police said. (Reuters)

Israel said Wednesday that Egypt told Prime Minister Shimon Peres that it is going to lift all restrictions on trade and tourism between the two countries. (UPI)

Haiti's official media proclaimed a government victory in Monday's referendum on constitutional amendments affirming President Jean-Claude Duvalier's appointment as lifetime leader. (UPI)

Pastora Reported to Survive Accident

SAN JOSE, Costa Rica (AP) — Edén Pastora Gómez, an anti-Sandinista guerrilla leader, was in a helicopter that disappeared over Nicaragua, an official of his rebel force said Wednesday. A cousin said later that Mr. Pastora had arrived "healthy and safe" in Panama.

Hector Dario Pastora, secretary of an opposition group linked to Mr. Pastora's guerrilla forces, said the helicopter in which his cousin had been traveling developed engine trouble Tuesday.

He said that Mr. Pastora, widely known by his nickname of "Comandante Zero," had then transferred to another helicopter in southeastern Nicaragua and flown to Panama. A Costa Rican radio station with ties to Mr. Pastora's Democratic Revolutionary Alliance said that he had suffered "slight" injuries.



Edén Pastora Gómez

Bills to Ban Pork Sales in Israel Prove Sensitive

(Continued from Page 1)

parties — the big major parties must strive to keep on good terms with the Orthodox parties.

Not surprisingly, when the preliminary reading of Rabbi Shapira's law was held by the Knesset a few weeks ago, it was approved by a vote of 57 to 23. It must go through three more readings in the next two months before it passes. Officials say they believe it will.

While Rabbi Shapira's bill could have been expected, the same could not be said for an almost identical bill that is being combined with it and was put forward by a Labor member of parliament, Rabbi Menachem Hacohen.

"Even assimilated Jews always looked upon the pig as an anti-Jewish symbol," said Rabbi Hacohen, explaining the reason for his bill. "I am against religious legislation, but the pig is a symbol of destruction for Jews."

"Having pigs here is like introducing the symbol of the swastika," he went on. "The older generation understood this and made sure the

pig was not brought into daily life. But now society has changed and we have many Israelis who don't care about symbols. Many of them don't know what the inside of a synagogue looks like. The sale of pork has become an expression of assimilation within the Jewish state, and we have to fight it."

Rabbi Hacohen added a second explanation for the bill's prospects this year, one that comes a lot closer to explaining why Mr. Peres supports it. Since coming to power, Mr. Peres has been trying to adopt a new, more traditional image for himself and his secular party. After he was elected, he went to pray at the Wailing Wall. He avoids being

seen driving on the Sabbath and he has been studying the Torah with one of Israel's most distinguished rabbis.

Why? Roughly 52 percent of Israel's Jewish electorate now are Ashkenazim, or Jews of European origin outside Spain, and 48 percent are Sephardim, or Jews from North Africa, Spain and the Arab world. The Ashkenazim population, however, is relatively old while the Sephardim are relatively young and are growing faster. The Sephardim tend to be more fundamentalist and adhere more closely to traditional Jewish law.

Each year they represent more of the voting public. A widespread

assumption in recent years has been that former Prime Minister Menachem Begin, an Ashkenazi from Poland, owed much of his success in winning Sephardic votes to his ability to project a religious aura and appeal to the Sephardim's more traditional Jewish identity.

One expert on religion, Janet Aviad of the Van Leer Institute in Jerusalem, describes the pork law as a perfect issue for Mr. Peres. By supporting it, he could appeal to the religious, improve his image as a traditional Jew and say to his own party that he was not backing religious legislation but simply seeking to outlaw a symbol repugnant to the Jewish people.

U.S. Risks Offending Israelis, Arabs

(Continued from Page 1)

Jordanian officials had said that all the Palestinians would be acceptable to the United States. But administration officials said that only three of the seven are "clean" — free of any obvious connection to the PLO — and thus acceptable. None of the three — a Gaza Strip lawyer, an East Jerusalem editor and a Paris-based historian — can be considered Palestinian leaders.

The officials said there would be little point in meeting with a Jorda-

nian-Palestinian group if the Palestinians were not regarded as genuine representatives of their people.

Officials acknowledge that few Palestinians who do not have links with the PLO can be regarded as people. But Washington will not sit down with any PLO members until Mr. Arafat agrees to meet longstanding U.S. conditions — an explicit PLO statement accepting Israel's right to exist and United Nations Security Council Resolutions 242 and 338, which form the basis for negotiations.

If Mr. Arafat actually met the U.S. conditions, thereby obliging Washington to meet with his repre-

sentatives, he would provoke a major rift between the United States and Israel. And that would not improve the chances for early negotiations.

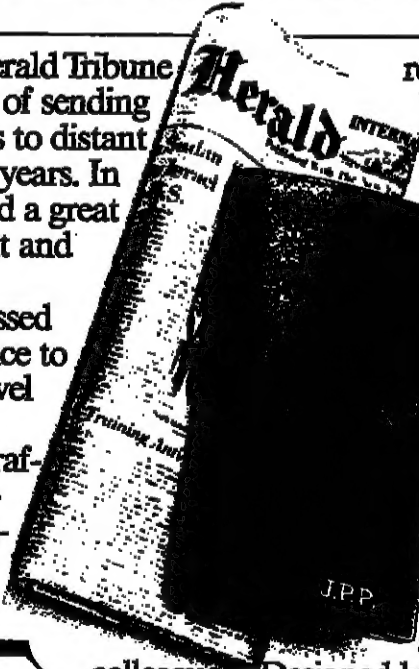
Mr. Shultz reportedly shares some of the Israeli concern that the PLO is trying to use Hussein's proposal to enhance its image without making any serious concessions. Thus Mr. Shultz is said to be insisting on a Jordanian guarantee that a meeting between Mr. Murphy and the Jordanian-Palestinian group would be followed by direct talks with Israel. Mr. Shultz also wants the Jordanian leader to produce a more representative list of Palestinians, particularly from the West Bank.

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Bush's 2d Brush With Power

He Says He Felt Burden More During Reagan's Surgery

By Gerald M. Boyd
New York Times Service

WASHINGTON — Vice President George Bush says he felt the burden of responsibility more heavily when President Ronald Reagan underwent cancer surgery, on July 13, than he did when the president was shot in 1981.

In the first interview he has granted since being acting president for eight hours on the day of Mr. Reagan's operation, Mr. Bush said his sense of responsibility was heightened that day by his "more defined" role. Before the surgery, Mr. Reagan signed a letter temporarily turning over power to the vice president.

Mr. Bush suggested that the foreboding of the surgery, compared with the surprise and shock of the shooting, had allowed him more time to reflect on the situation. He noted that there were fewer "question marks" about the president's health in the most recent surgery, but added, "With the actual transferring of power there was somewhat of a different feeling."

He strongly denied that he had been shunted aside by Donald T. Regan, the White House chief of staff. He said that the most difficult moment of the period was the "uncertainty" when it was unclear how the operation would go or what would be found. That feeling eased, the vice president went on, as the president's doctors began providing encouraging news.

While Mr. Reagan was under anesthesia and its effects at the Naval Medical Center in Bethesda, Maryland, the transfer of power made Mr. Bush acting president.

In the letter Mr. Reagan had written, "I have determined, and it is my intention and direction, that Vice President George Bush shall discharge these powers and duties in my stead commencing with the administration of anesthesia to me." The president signed another letter that evening reclaiming his powers.

Mr. Bush said Tuesday that he had spent the eight hours as acting president at his official residence here, on the grounds of the Naval Observatory. He engaged in the



George Bush

sort of activities that occupy Mr. Reagan in weekends at the presidential retreat at Camp David, Maryland — playing tennis, reading and speaking on the telephone. Speaking of his role in the eight-day period that Mr. Reagan was away from the White House for the colon surgery, Mr. Bush said that he had attempted to balance what he perceived as appropriate behavior for the vice president with emotions with which he felt comfortable.

"I pride myself on having a reasonable good sense of how to act in this situation," he said. "I was not concerned that I was stepping into the limelight, nor was I concerned that I was being elevated out of the limelight. Nor was I fascinated by the speculation on whether I was in it too much or out of it, because I really just think from the way it worked out, it worked pretty well."

Mr. Bush, interviewed in his West Wing office, down the hall from the president's Oval Office,

said that throughout much of last week he and the White House operated in a manner similar to that in the period when the president was hospitalized in 1981.

"I'm not sure that scheduling-wise, and the way people performed, there wasn't much difference," he said. "And I think that most people around the country felt that things went along smoothly."

He said he did not know if his actions had hurt or helped his public standing in regard to a possible bid in 1988 for the Republican Party nomination for the presidency.

The relationship between the vice president and Mr. Regan, the chief of staff, has been the subject of some speculation since Mr. Regan assumed responsibility for the day-to-day operations of the White House during the president's convalescence.

The vice president said that there was "no sense of tension" between him and Mr. Regan. He acknowledged, however, that there had been a disagreement over whether he should return to Washington from Maine on the day of Mr. Reagan's surgery. Mr. Bush had gone to his summer house in Kennebunkport for the weekend but then decided to return to Washington.

"There was a difference in coming back," he said. "But I never had the feeling that somebody was trying to say that, 'Don't come back because we want you off on the sidelines.' There was nothing like that. It's very unfair to Don Regan, absolutely unfair."

Mr. Bush said that the preference of some Reagan aides that he remain at his place in Kennebunkport reflected a wish to avoid "heightening tension to what was supposed to be a routine operation."

Asked about his schedule during Mr. Reagan's recuperation, which doctors have estimated will take seven to eight weeks, the vice president said that there would probably not be a lot of activity by him in that period.

Much of official Washington will be on vacation, he noted, thus reducing the likelihood of any need for a change in his role.



Suspects were arrested and property was seized in Chicago and other cities, as federal and local law enforcement agents applied a new statute in a crackdown on drug dealing.

134 Arrested in Major U.S. Drug Raid

Los Angeles Times Service

CHICAGO — Federal authorities said they disrupted operations of a nationwide heroin, cocaine and marijuana smuggling and distribution ring by arresting 134 persons and seizing cars, candy stores, taverns and apartment houses.

The seizures were made Tuesday under the 1984 Comprehensive Crime Control Act, which allows the government to use civil courts to obtain forfeiture of property allegedly used in drug transactions. It was the first large-scale action under the new law.

On Tuesday, federal agents seized 31 houses and apartment

houses, two gasoline stations, two candy stores, five taverns, two restaurants, two jewelry stores, a flower shop, two mobile homes and a large number of automobiles.

The raids took place in Illinois and Indiana, with additional arrests in Colorado, California and Texas. Nearly 500 agents from six different agencies took part.

A statement from the Justice Department said: "As a result of the new law, the United States now owns all of the seized property and the burden is on the former titleholder to prove he has no knowledge that the property was used to facilitate drug transactions."

Kay Kyser Dies in U.S. at 79; Led Band on Radio Program

Los Angeles Times Service

LOS ANGELES — James Kern Kyser, the bandleader who conducted radio's "Kay Kyser's College of Musical Knowledge," died Tuesday of a heart attack in Chapel Hill, North Carolina. He was 79. From 1933 until 1949 "Kay" Kyser and his band rode atop the radio ratings. At the height of his career 20 million people were listening to his weekly program of dance music interspersed with quiz questions. He stopped performing in 1950 and devoted the last 25 years of his life working with the Christian Science Church.

During World War II Kyser's was among the most wanted bands on the military circuit. He once estimated that he had appeared at more than 500 camps, bases and hospitals. When the military draft beckoned, Mr. Kyser said he could do more for the war effort as a civilian than in the Army. He was given an exemption.

In 1983 he was named president of The Mother Church, The First Church of Christ, Scientist, in Boston, an honorary title given to a member who had made a significant contribution to the movement.

In 1944 he married Georgia Carroll, a magazine cover girl who became a singer with his band. She and their three daughters survive him.

U.K. Government Drops School Punishment Bill

The Associated Press

LONDON — The Conservative government has dropped a bill that would have let parents decide whether their children could be subject to corporal punishment at school.

The Education secretary, Sir Keith Joseph, said in the House of Commons Tuesday that the bill would be abandoned, leaving schools free to choose whether to cane and spank students.

Treasure Ship Called Scientific Boon

By Jon Nordheimer
New York Times Service

KEY WEST, Florida — Besides yielding riches of silver and gold, the sunken Spanish galleon discovered Saturday off Key West may prove to be a scientific bonanza, according to the chief archaeologist of Treasure Salvors Inc.

"It's a virgin shipwreck in situ, one of the greatest treasure finds from an ancient shipwreck recorded anywhere," said Duncan Mathewson.

Backers of the limited partnership spent years and millions of dollars to search hundreds of square miles of sea bottom for the remains of Nuestra Señora de Atocha, the 550-ton flagship of a Spanish treasure fleet. The vessel sank in a hurricane on Sept. 6, 1622, about 40 miles (64 kilometers) west of this island city.

At first, members of the company estimated the value of the treasure at more than \$400 million.

Mel Fisher, the salvage operator, whose crews had been searching for

the Atocha off the Florida Keys for 15 years, said Tuesday that the figure might be too high.

An inventory of what the divers have found may take years, Mr. Fisher said.

Mr. Mathewson said, "We're not treasure hunters as much as we are an archaeological recovery team."

He said he was distressed to learn that the divers had removed 200 silver ingots in their first flush of enthusiasm.

High winds from the tropical storm kept crews away from the find Tuesday, and no other removal of treasure is to take place until additional divers and archaeological assistants can be hired.

Mr. Mathewson said, "What we think we have is most of the hull and cargo of the Atocha, pinned under the mound of bars and nicely preserved."

If that is correct, he said, the Atocha could be seen as "an enormous time capsule, as important as Pompeii or even King Tut's tomb."

Scholars over the years have frequently criticized the methods and claims of Mr. Fisher's operations, but news of the discovery of the Atocha brought heightened academic interest.

Dr. George Bass, director of archaeology for the Institute of Nautical Archaeology at Texas A&M University, said, "From what I've heard it sounds like a spectacular find. It is a special thing to find an intact cargo that can give a picture of 17th-century exploration in the New World."

Mr. Mathewson, who has a master's degree in marine archaeology, said he hoped the Atocha's cargo would provide insight into a range of subjects.

Noting that the vessel was built

in Havana in 1618, a generation after the wreck of the Spanish Armada off the coast of England, Mr. Mathewson said the wreck could shed light on what innovations were incorporated into the design of the galleons.

The excavation of the Santa Margarita, a sister ship of the Atocha that lies a few miles to the northeast, could add to this study, he said.

In another major discovery, about 300 miles north of Key West off the coast of Fort Pierce, Florida, another crew of Treasure Salvors divers has located a treasure trove believed to be from five ships that sank in 1715.

Dole and Kemp Call a Truce To Halt Republican Feud

Washington Post Service

WASHINGTON — Two of the Republican Party's leading presidential aspirants, Representative Jack F. Kemp of New York and Senator Robert J. Dole of Kansas, have arranged a private truce in their increasingly tart public feud.

After a week of bitter exchanges, Mr. Dole muted his criticism of Mr. Kemp in an appearance on a television interview program. "I think I make harder choices sometimes than he does, but the quarrel

is not between two members of Congress," he said.

Mr. Kemp, who had watched the program, called to say he appreciated Mr. Dole's restrained comments, according to John Buckley, Mr. Kemp's press secretary. While both Republicans will continue to disagree on many issues, Mr. Kemp wanted to dampen the "public rant," Mr. Buckley said.

Mr. Dole said through an aide Tuesday that the two men had "agreed it was a little bit early for the fireworks over 1988 to start."

Boeing and GE Propose Refund for Excess Costs

By Wayne Biddle
New York Times Service

WASHINGTON — The Boeing Co. and the General Electric Co., which rank fifth and sixth, respectively, in the nation as weapons contractors, have offered refunds on spare parts and equipment that the Pentagon considers overpriced. The Defense Department has announced.

Secretary of Defense Caspar W. Weinberger said Tuesday, the day the proposals were made known, that he had ordered the creation of a similar refund policy throughout military industry.

Both companies have offered to refund, within three months after delivery, the money paid for spare parts or support equipment if the prices were found by the government to be unreasonable.

"We believe this is a constructive step in demonstrating to the public that none of us want or seek prices that lead to the kind of examples which have been the focus of so much attention in recent times," Edward E. Hood Jr., vice chairman of GE, said in a letter on July 1 to William H. Taft 4th, deputy secretary of defense.

Mr. Hood added that GE would agree to retroactive changes in existing contracts to cover previously delivered parts and equipment.

For more than a year — since accounts of vastly overpriced military spare parts first came to public attention — weapons suppliers and the Pentagon have been under pressure to improve purchase procedures. Congress is considering broad amendments in military-program bills this year. Some of the changes have angered contractors as too severe.

A Boeing vice president, Lionel D. Alford, wrote to Mr. Taft in April: "Instances continue to occur where the price that we charged for a spare part or item of support equipment is challenged after the procurement has been completed."

"In order to eliminate this problem," he added, "we are establishing a policy whereby any item that has been purchased at prices that thereafter appear to have been unreasonable can be returned to Boeing."

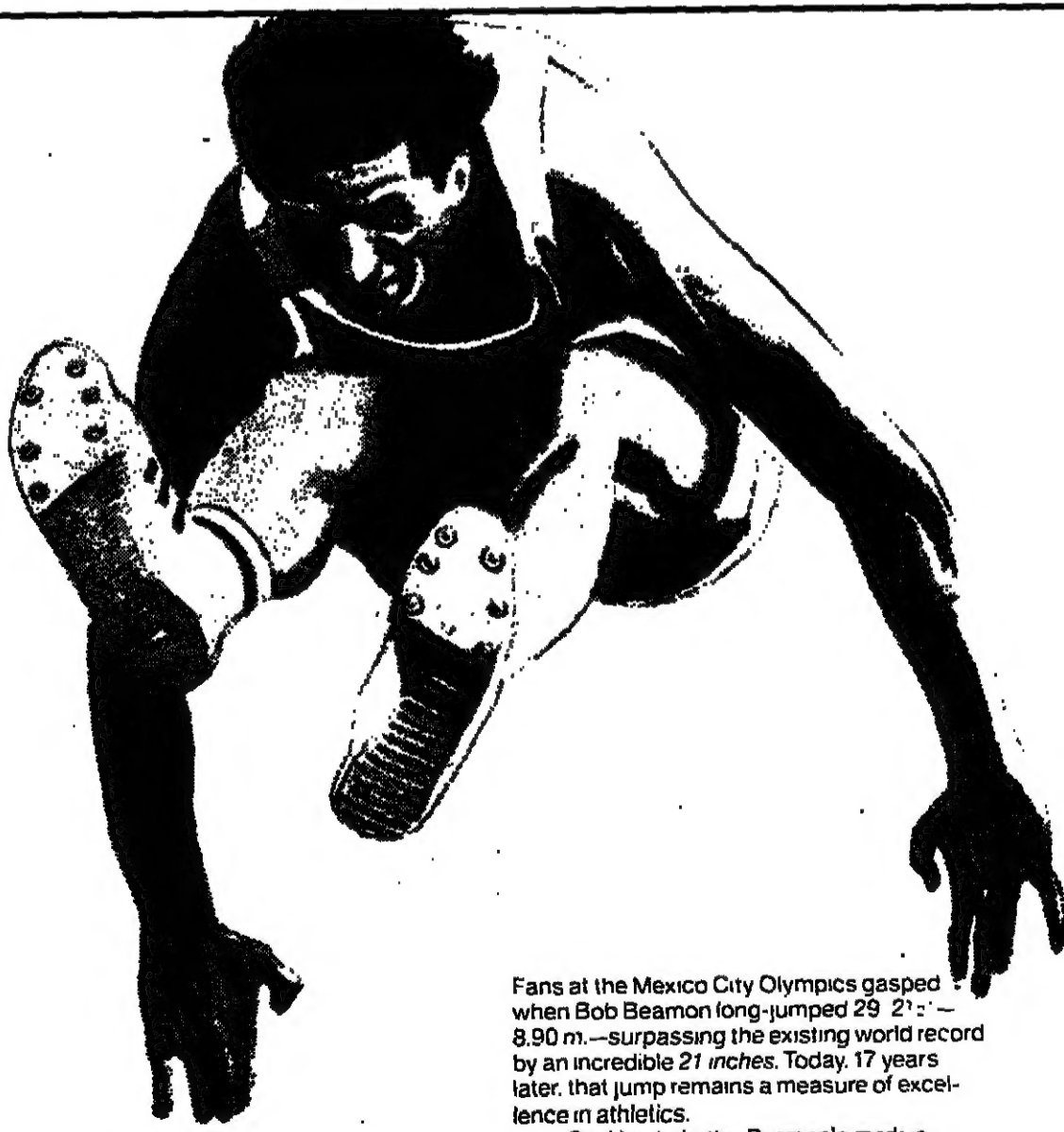
The Defense Department did not explain why the April offer had not been made public sooner.

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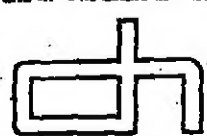
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Barbie's Lawyer: An Anti-Establishment Renegade

By Jeffrey Ulbrich
The Associated Press

PARIS — Jacques Vergès, the lawyer defending the Nazi war criminal, Klaus Barbie, is an enigma.

Resistance fighter, former member of the Communist Party, publisher of revolutionary periodicals, defender of Algerian rebels, Palestinian guerrillas and European terrorists, Mr. Vergès, 60, seems an unlikely candidate to take up Barbie's cause.

Barbie, who has been in French custody since 1983, is facing charges of complicity in the deportation of 452 French Jews in 1943 and 1944 while he was a Gestapo officer in Lyon. A judge last week dropped more serious charges involving "assassinations, arrests and deportations" after a pre-

trial investigation failed to confirm that he had killed anyone during World War II.

Prosecutors are to decide within two months whether Barbie is to stand trial on the reduced charges. Mr. Vergès's career is studded with spectacular cases, a year's suspension, foreign adventures and attention-grabbing headlines.

He is vehement in his attacks on the establishment. He is articulate on subjects that arouse his passion. He is vague on certain aspects of his past, his relationships with such personalities as Pol Pot, Raymond Barre and Ahmed Ben Bella.

He has been the subject of much speculation and many outrageous articles, but he never denies anything said about him.

There is a common point in all of his cases: a systematic attack on the state and the judicial system. And he admits a sympathy with people who are at odds with society and its morals.

"My law is to be against laws," he says in one of his several published works. "My moral is to be against morals."

But why Barbie, who is awaiting trial in Lyon for crimes against humanity stemming from his World War II activities?

"Given the person, not real but mythological, fabricated for political reasons by the government and the media, I think it is the duty of a lawyer to defend him," Mr. Vergès said. "I think that an accused has the right to a defense, and not a parody of a defense."

In Mr. Vergès's view, Barbie was insignificant, an SS captain who would have remained anonymous were it not for the fact that he was connected with the arrest and death of Jean Moulin, the greatest hero of the French Resistance.

Mr. Vergès believes that Moulin was betrayed by the Resistance itself during internal squabbling. And it is his intention to make the trial a trial of the Resistance.

Mr. Vergès, a twin, was born March 5, 1925, in Ubon, Siam, later Thailand, the son of a French diplomat and a Vietnamese woman.

His father, Raymond Vergès, originally from the French Indian Ocean island of Réunion, was in charge of the French Consulate at Ubon in 1925. He later resigned and set up shop as a doctor in Laos.

"I was Eurasian, born at a time when this characteristic was difficult to bear," Mr. Vergès says, referring to the colonial period when racism was common.

The family returned to Réunion in 1928 and Mr. Vergès spent his youth there, attending the Lycée Saint-Denis, where he was a classmate of Raymond Barre, later to become prime minister of France and currently a presidential hopeful.

During World War II, at 17, Mr. Vergès joined the Free French forces in England, later serving in Algeria, Morocco, Italy, France and Germany. Demobilized in Paris, he did his university studies in Oriental languages, history and law. In 1945, he joined the Communist Party.

During his student years, Mr. Vergès headed the liaison committee between the different associations of colonial students. It was at that time that he met Pol Pot, then head of the Khmer students' association, later to head the bloody Communist regime in Cambodia during the 1970s.

From 1951 to 1954, Mr. Vergès lived in Prague as secretary of the International Union of Students, where he met people like Olof Palme, later prime minister of Sweden; Alexander Shelepin, eventually to become head of the Soviet KGB; and Giovanni Berlinguer, brother of the late Italian Communist Party leader.

Mr. Vergès returned to France in 1955 and took his oath as a lawyer at the Paris bar.

His first case was that of Djamilia Bouhired, a young Algerian woman accused of being part of a bombing network during the Algerian war for independence against the French. At the end of the war, Mr. Vergès married her, converted to Islam, and took the name Mansour.

The Algerian National Liberation Front asked Mr. Vergès to take charge of a group of lawyers formed to defend rebels. He became a terror of the courts, attacking the judicial system.

In 1961, he was suspended for a

year for his courtroom tactics and attacks on judges. He then went to Morocco, where he worked as a liaison officer between the rebel Algerian Army and other African independence movements.

After Algerian independence in 1962, he returned to Algeria and became counselor to the foreign minister. He later edited the weekly *Revolutions Africaines*, the official organ of the ruling National Liberation Front.

But a year later he left Algiers "following political differences" with President Ben Bella.

Back in Paris, he founded a pro-Chinese monthly. Mr. Vergès made numerous trips to China and met with Mao several times.

In 1965, he went back to Algiers as a lawyer. Using his French passport, he went to Israel at the request of the Palestine Liberation Organization and the Algerian government to defend the first Palestinian guerrilla put on trial there.

He was expelled from the country. Subsequently, he defended other Palestinians in Greece and Switzerland on charges of hijacking.

In 1970, he held friends he was traveling to Alicante, Spain.

He was not seen again until late 1978.

Where was he? He won't say. "I do not have the intention of running for office or becoming a minister, so the employment of my years and my nights belong to me," he said.

Among the most prevalent theories is that he renewed his friendship with Pol Pot and participated in those bloody years in Cambodia. Mr. Vergès neither confirms nor denies it.



Jacques Vergès

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As Elections Approach, Guatemala Is Troubled By Insurgency, Killings

By Robert J. McCartney
Washington Post Service

GUATEMALA CITY — Political killings by rightists, a stubborn Marxist insurgency and a faltering economy are troubling this country as it heads toward November elections to choose a civilian president to replace the current military government.

The far right and the far left appear to be using violence to try to provoke the army's leadership into canceling the election in the name of safeguarding the country's security, according to Guatemalan and foreign observers.

But even skeptics said the nation's top officers seem determined to hand over the presidency to one of the country's civilian politicians for the first time since 1966.

The army, which has ruled Guatemala either directly or from behind the scenes since a U.S.-backed coup in 1954, recognizes that a civilian president would make it easier to obtain increased U.S. aid. The officers are also tired of trying to cope with accelerating inflation and stagnant growth, Guatemalan officials and foreign diplomats said.

However, the armed forces would continue to exert considerable influence even after General Oscar Humberto Mejía Victores steps down as chief of state, Guatemalan politicians and foreign diplomats said.

The new president will govern with the knowledge that offending the army could lead to a military coup, of which there have been two here in the past three and a half years.

Polls and political pundits agree that a Christian Democrat, Vicio Cerezo, is the early front-runner. He is proposing a cautious program of economic and political reforms and hopes to join José Napoleón Duarte of El Salvador as the second Christian Democratic president in Central America.

Mr. Cerezo, viewed as the least conservative of the leading candidates, is said to be the one who most worries the army. The military is believed to look with greater favor on Jorge Carpio, a conservative newspaper publisher, and on Mario Sandoval Alarcón, a long-time rightist leader.

Whoever wins the Nov. 3 ballot, or the runoff that ensues if no candidate wins a majority, will take office in January facing a host of problems.

High on the list is the so-called dirty war of assassinations and kidnappings of leftist political activists and other suspected supporters of guerrillas fighting the government.

Human rights activists and church sources said killings and abductions in the capital and in at least one rural area west of here have increased in recent months, and they blamed the government's security forces for this "death squad" violence.

"Before handing over power, they want to sweep things up a little," said Nineth de García, a leader of the Mutual Support Group. Her organization, which was founded a year ago, has become Guatemala's leading human rights group. Two of its leaders were assassinated this spring.

General Mejía Victores denied last week that the armed forces were responsible for any of the killings. He said the Mutual Support Group was manipulated by the guerrillas and attributed 10 killings

at the state-financed San Carlos University to infighting among drug traffickers.

Statistics compiled by the U.S. Embassy on political violence nationally showed that killings and abductions had declined somewhat from last year.

According to the U.S. statistics, the average number of noncombatant political killings was 31 a month in the first half of this year, compared with 39 a month in the last half of 1984.

The Mutual Support Group and church sources suggested that the U.S. figures were incomplete. It did not offer alternative figures.

To some extent, the vigilante squads probably have responded to an increase in leftist-oriented political activities this year, according to a variety of sources.

Student associations that describe themselves as progressive have stepped up organizing since late 1984 after lying low for more than a year because of past violence against them, student leaders said.

The nation's Marxist insurgents, estimated by the army to number about 2,000, are active despite having lost considerable ground to the government since 1981 and 1982.

Most of the guerrillas are based in mountains along Guatemala's border with Mexico. The number of wounded received at the capital's military hospital has risen by about 5 percent this year, to an average of about 65 a month, according to an army physician, Major Arnoldo Leal Cruz.

While violence has attracted most international attention, the economy is the principal worry of most Guatemalans.

The officially recognized inflation rate has quadrupled this year to 16 percent from 3.8 percent in 1984, and diplomats said that a more realistic figure for current inflation was 60 percent annually.

The economic growth rate was expected to stay flat again this year after a minimal expansion of 0.2 percent last year.

U.K. Commons Backs New Rules On Immigration

The Associated Press

LONDON — The House of Commons has voted 309 to 194 to approve immigration rules that eliminate sex discrimination but make it tougher for both husbands and wives to join spouses who already live in Britain.

In the debate before the vote, Home Secretary Leon Brittan said Tuesday that the rules would maintain firm control on immigration.

The rules are a response to a May 28 ruling by the European Court of Human Rights, which found Britain guilty of sex discrimination because of the country's ban on non-British husbands joining non-British wives who live here.

The new regulations allow husbands to live and can support themselves and that the marriage was not entered into primarily for immigration purposes. The rules apply to the spouses of both British and non-British citizens. Previously, the marriage motive test applied only to foreign husbands of British women.

State Department Defends Romania's Trade Status

By Don Shannon
Los Angeles Times Service

WASHINGTON — A coalition of religious leaders and conservative politicians has opposed the continuation of favorable trade status for Romania, but the State Department has defended the designation as a tool for encouraging the emigration of dissidents and bolstering that nation's independence from Moscow.

In testimony Tuesday before the Senate finance subcommittee on international trade, Edward J. Derwinski, the State Department coun-

selor, said that most-favored-nation status was not "a subsidy" and noted that it has been granted to 140 nations and withheld from only 14 Soviet bloc states.

Support for Romania also came from Senator John Heinz, a Republican of Pennsylvania, who read a statement from the Helsinki Commission, a group that monitors the 1979 international accords on human rights.

The statement said that emigration statistics in Romania have improved in recent years, although "internal conditions are grim." In

1984, he noted, a record 5,545 Romanians were permitted to leave for the United States, and 14,831 were allowed to go to West Germany.

In March, President Ronald Reagan announced that the United States would end Romania's most-favored-nation status on June 30 unless Bucharest suspended a decree requiring would-be emigrants to reimburse the government for all advanced education.

Last month, Mr. Reagan extended Romania's favorable status for a year, saying that he had received assurances that the Romanian gov-

ernment would continue to allow its citizens to emigrate freely.

Critics at the hearing concentrated on what they said was the Romanian government's hostility to religion.

The Reverend Don Kyr, director of the Baptist Frontier Fellowship of Fredericksburg, Virginia, said that he received information Monday from the Romanian city of Medias that a Baptist minister had been arrested for the sixth time in 16 months. Mr. Kyr said the minister, Ioan Stel, had been harassed because of his success in building a congregation.

Britain Considers ID Cards for Fans

Reuters

LONDON — A judge investigating soccer hooliganism in Britain recommended Wednesday the introduction of identity cards for club supporters, closed circuit television and greater police powers to root out violent fans.

Justice Oliver Popplewell, appointed by the government to find ways of stopping crowd violence at

soccer games, also said that fans should be fenced in and all matches should be limited to home supporters.

"Unless urgent steps are taken to produce some more efficient method of excluding hooligans, football may not be able to continue in its present form much longer," he said in an interim report issued before the new season starts next month.

Prime Minister Margaret Thatcher and her government asked the judge to investigate soccer violence and ground safety in May after a stadium fire killed 56 persons and after a 15-year-old boy was crushed to death under a wall during a riot by fans.

The thrust of the inquiry was switched to place greater emphasis on hooliganism after rioting by English fans led to the death of 38 persons, mostly Italians, at the European Cup final between Liverpool and Juventus in Brussels on May 29.

Mr. Popplewell, a High Court judge, said the stadium fire at Bradford in northern England was an accident but urged stringent new safety precautions.

Among his suggestions were a national identity or club membership card system in England and Wales designed to exclude fans from away matches, introduction of a standard perimeter fence around playing fields, and closed circuit television to help identify troublemakers.

A technical team was due Wednesday to inspect the twin-basin dam which sent a wave of mud and water down the Stava valley. They were trying to pinpoint the location of the weak point in the earthenwork walls of the dam, built in 1961 and sold to the Rota brothers' company in 1979.

Co-owner Facing Negligence Charge In Dam Collapse

Reuters

TESERO, Italy — One of two brothers who owned the mineral company dam that collapsed July 19 killing at least 200 persons has been arrested on suspicion of causing manslaughter and catastrophe, magistrates said Wednesday.

Giulio Rota, 58, is the first person to be arrested following the collapse of the dam in the Italian Alps. In the warrant for his arrest, the Trento public prosecutor said Mr. Rota, who with his brother Aldo owns a flouite mining complex including the dam, might be charged with causing multiple manslaughter and catastrophe through negligence.

A technical team was due Wednesday to inspect the twin-basin dam which sent a wave of mud and water down the Stava valley. They were trying to pinpoint the location of the weak point in the earthenwork walls of the dam, built in 1961 and sold to the Rota brothers' company in 1979.

He also suggested giving police the power to search all fans before entry to grounds and arrest fans on the basis of video evidence.

Mr. Popplewell said identity cards were not needed in Scotland where crowd violence has decreased since alcohol was banned from soccer grounds in 1981.

The government is banning alcohol at soccer grounds in the rest of Britain and on trains and buses to matches. The ban is backed by stiff new penalties, including jail terms.

3 Men Rob Paris Restaurant

Agence France-Press

PARIS — La Coupole restaurant in the Montparnasse district was robbed early Monday by three men who held three employees at gunpoint, according to Jean Lafon, the owner.

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Herald Tribune

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Middle East Impasse

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Italy	Lira	274,000	149,040	82,800
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Portugal	Esc.	13,800	7,450	4,070
Spain	Pes.	21,200	11,520	6,330
Sweden	Skr.	1,470	795	434
Switzerland	S.F.	482	263	129
Rest of Europe, North Africa, former French India, U.S.A., French Polynesia, Middle East	\$	322	174	95
Rest of Africa, Canada, Latin America, Gulf States	\$	442	238	130

Herald Tribune

Published With The New York Times and The Washington Post

The Message to Pretoria

South Africa's new state of emergency amounts to martial law and cuts through much recent debate about the country's future. It proves again that a minority of whites cannot enjoy First World prosperity and democracy while pursuing colonial domination over blacks held in Third World conditions.

Through endless cycles of repression and reform, the white regime has been unable to escape its central dilemma: If the whites refuse to share their wealth and power, they inspire the black majority to revolt; and if they try to suppress rebellion with force, they betray their law and culture and are left with a Second World, Polish-style order.

President P.W. Botha has now provided dramatic evidence for both premises. Although his reforms have been politically trivial, they had the effect of discrediting the central doctrine of apartheid. By vaguely promising to reward the docility of urban blacks, he abandoned the pretense that all were citizens of tribal homelands and mere guests in South Africa. When he then failed to deliver on the promise to consult them about their political future, he invited the violence that now propels him to draconian measures.

The crackdown not only subjects blacks to arbitrary rule by the police and militia, but also sacrifices the ornaments of white democracy. In much of the country blacks can now be dragged from their homes and detained at will. They can be denied free speech and assembly and any role in putative political activity — even garbage collection in segregated towns. And to sustain this order, while newspapers and courts will be repressed. People will disappear without trace; the police and militia will not be answerable in print or in court, and the authorities will be immune to

any damage claims that may arise as a result. To be sure, the old order was collapsing. Blacks had begun to use unions to negotiate not just for economic benefits but also for political influence. When the government invoked its already great powers of repression to charge moderate blacks with treason — and to deliver them to a brutal police — the protest became palpably revolutionary.

Blacks began testing their capacity to damage the economy — once with a general strike, other times with local rent strikes and boycotts of white businesses. Simultaneously, radical black youths began murdering black officials and policemen whose duties implied collaboration with the white regime. These attacks, and the counterattacks of the police, claimed more than 500 lives, mostly black, in 10 months. They destroyed black administration in dozens of segregated towns, requiring the authorities to invade militarily to assure distribution of water and electricity.

The resort to martial law has now touched off the next South African debate: whether Mr. Botha went too far or not nearly far enough in his promises of reform. It is a pathetic question because no reform worthy of the name was ever promised, much less tried. Having abandoned apartheid's myth that all blacks were aliens, Mr. Botha substituted only an offer to consult docile blacks of his choosing one day in a "non-statutory forum." To the most moderate possible black leader, Chief Buthelezi, this was "a lousy crumb from the white man's table." The message is stark: The First World blessings of democracy and prosperity depend most of all on the consent of the governed. A government disdaining that consent puts all else in jeopardy.

—THE NEW YORK TIMES

China as Nuclear Partner

With the signing of the U.S.-Chinese nuclear agreement, its text will at last become public. The long delay has ended and the Reagan administration has decided to go ahead with the agreement while President Li Xianmin is in Washington. When it reaches Congress, it is likely to become the focus of a careful examination of the intricate system of rules that try to prevent the proliferation of nuclear weapons. The agreement would enable China to buy civilian power reactors in America on condition that it gives no assistance to other countries trying to build nuclear weapons.

This agreement was initiated 15 months ago during President Reagan's trip to China, but after his return it slid silently into the deep freeze. The administration has never offered a public explanation, but it appears there were intelligence reports of Chinese technicians working at Kahuta, where Pakistan has been building a uranium enrichment plant with technology stolen a decade ago from a similar facility in the Netherlands. The Chinese then disappeared from the Pakistani nuclear plant, and Beijing repeatedly declared that it does not help other countries to make weapons.

That now presents the United States with a choice. One side of the argument is that China has never offered the kind of detailed and carefully defined assurances that meet American legal standards. The other side is that it is well worth securing even the Chinese style of pledge from a country that already possesses both nuclear weapons and a good command of

nuclear technology — and that had previously been unwilling to offer any pledge at all.

Congress can block the agreement by a joint resolution. That is unlikely, but there are two kinds of congressional concern that the administration is going to have to address. A number of senators, most of them Democrats, will press for assurances that the agreement meets the letter of the American nuclear export laws that were enacted to prevent the proliferation of weapons. There are also objections, originating in the Defense Department, that even civilian nuclear technology has, in the Chinese context, military applications. These have less to do with weapons directly than with the development of nuclear power plants for naval ships, particularly submarines.

The administration bears the burden of demonstrating that this agreement, inadequate a year ago, is satisfactory today. That is not an impossible case to make, but the administration is going to have to make it openly and forcefully. A lot depends on the precise language of a text that no one outside the administration has yet seen. But at least potentially there may be important benefits here for controlling the spread of nuclear weapons. Until recently China chose to remain entirely outside the structure of international promises that seek to prevent proliferation. An agreement with the United States providing access to certain U.S. technology would provide a powerful incentive to come in and stay in.

—THE WASHINGTON POST

Other Opinion

Lame Duck or Foud Monarch?

Four and a half years into the presidency of Ronald Reagan the American public is being abruptly forced to face reality: The vigorous 74-year-old man they re-elected so overwhelmingly last November has descended almost overnight from the peak of his physical and political power. By its failure to confront Mr. Reagan's mortality last November, the nation has humbled itself with a genuine lame duck.

American presidents are not just elected political leaders; they are also in a sense monarchs. Peoples who have found a leader worthy of their love are loath to lose him. Such figures are not to be discarded lightly.

Ronald Reagan is such a president. That fact makes practical calculations as to whether he will be up to doing this, that or the other somewhat beside the heart of the matter.

—The Sunday Telegraph (London).

Moderates Out in South Africa

Having embarked too timidly on the road to reform, President Botha succeeded only in radicalizing extremists. His policy is rejected

by the more reactionary wing of the National Party and by the new parties to its right. So he has been compelled, doubtless against his will, to declare a state of emergency.

Moderates in the various factions of the black community, who were ready to play the card of gradual liberalization, have been isolated and neutralized. The diarchy of the African National Congress, now openly manipulated by the Communist Party, thus have free rein. The way is clear for Marxist subversion to try to knock down a "domino" of prime importance to the free world, given South Africa's strategic position on a vital sea route and its reserves of rare minerals that are indispensable to the arms industries of the West.

We can expect the worst. Alas, we can no longer hope for the best.

—Le Figaro (Paris).

Terror Bombs in Copenhagen

If anyone thinks terror bombs in Denmark can serve the purpose of creating a climate against making room for Jewish firms, or in favor of denying Danish Jews their natural place in society, they have miscalculated.

—Kristeligt Dagblad (Copenhagen).

FROM OUR JULY 25 PAGES, 75 AND 50 YEARS AGO

1910: A Signal of Trouble in Spain

LONDON — The Morning Post says: "The attempt made at Barcelona [on July 22] to assassinate Senor Antonio Maura, leader of the Conservative party and former Premier of Spain, supplies another grim indication that the state of the country is far from tranquil. Although the crime may not have been the result of an organized conspiracy, it must be regarded as the product of the passions excited by the violent agitation being carried on by the Republican and Socialist parties." The Daily Graphic adds: "The political situation in Spain is exceedingly bad. In this state of things the apostles of anarchy find their opportunity. The anti-clerical policy of Premier Jose Canalejas has not improved the outlook, for it has only encouraged the revolutionists."

1935: Croats Take Over Zagreb

VIENNA — According to the Catholic newspaper "Reichspost," Croat peasants were masters in their own capital, Zagreb, for twenty-four hours during a recent mass demonstration for their leader, Dr. Vladimir Machek, of which little has been heard outside of Yugoslavia, owing to the severe censorship imposed by the Belgrade government. About 300,000 peasants from all parts of Croatia gathered and the presence of such masses made it impossible for the police and military, held in readiness in barracks, to take action. Word passed among the crowd that Croatian flags must be hoisted. When a huge sixty-five-foot flag appeared on the building of the governmental paper "Novosti" the crowd burst into shouts of "long live the free and independent state of Croatia."



Washington and Pretoria: Helping Conflict Along

By Joseph Kraft

WASHINGTON — Lyndon Johnson used to tell a story about a small boy in Texas who spotted two trains heading down the same track from opposite directions. The lad lit out for home. A stranger stopped him and asked where he was rushing. The boy pointed to the distant trains. "I see," the man said, "and you're running for help."

"No," the boy replied. "I'm running to get my brother. He's never seen a train wreck either."

That story drives home the slightly foolish role played by Washington in the latest act of the tragedy that is South Africa. A collision between blacks and whites is now wrecking that country. Overambitious efforts to help have left America in the position of confused bystander.

The stage for the latest act was set by the government of President P.W. Botha. It came to office professing a program for the hardest thing in politics — reform from above. One feature was to protect the borders against forays from neighboring black states by elements of the African National Congress, which was said to be Communist-dominated. To that end the South African army, and native guerrillas it sponsored, made deep raids into Angola and Mozambique. At that point the Reagan administration stepped in with its policy of "constructive engagement."

Washington promoted accords between South Africa and Angola and Mozambique. In return for an end to the raids, the black African states were supposed to sever ties with the Soviet Union, Cuba and the ANC. But none of the parties could deliver on their promises. The raids from South Africa continued. A month ago, in an acknowledgment of failure, the United States withdrew its ambassador from Pretoria.

President Botha drove through a new constitution in 1983 establishing legislative assemblies that gave representation to the Asian and "colored" minorities. Last January the black majority was invited to participate in a "non-statutory forum." The purpose was to promote dialogue and even negotiation on racial conditions. As an added inducement, the government made a major change in the practice of apartheid: The legal requirement that blacks live in settled areas be transported to rural reservations was quietly abandoned. The huge black settlements near major white cities were, in effect, accepted.

As so often happens with reform programs, the Botha program backfired. The success of the border raids convinced blacks in South Africa that they could not rely on neighboring black states. Almost overnight, religious, union and educational leaders came together in a new organization, the United Democratic Front.

The concessions extended to Asians and "coloreds" persuaded blacks that they were dealing with a "divide and conquer" strategy. Leaders turned militant against any cooperation with the regime. Pressures against white rule not only included strikes, boycotts and demonstrations. There was also a sustained and often violent campaign against blacks thought to be cooperating with the regime as officials or informants.

With its authority challenged, the government cracked down. Leaders of the UDF were arrested and charged with treason. Violence in the black townships was suppressed by force. Still, the use of police power was selective, and the government continued to call for dialogue.

But leaders who were on trial for treason were not exactly in a mood

for dialogue. Even blacks who condemned the violence refused. Chief Gansha Buthelezi, the Zulu leader, called the Botha offer "a lousy crumb from the white man's table."

Selective repression, moreover, could not keep violence from spreading. Soweto, the huge black township outside Johannesburg, had been relatively calm in the past two years. On July 17 the township suddenly erupted. A crowd of 1,000 black youths commandeered seven buses and ordered the drivers to take them to the local courthouse. There followed a pitched battle between police and the demonstrators. Two days later Mr. Botha invoked emergency powers.

Nobody should doubt the government's capacity to repress trouble. It has the guns and an iron resolution not to share political power. The only

hope for avoiding a bloodbath lies in a sharing of economic power, as advocated by Chief Buthelezi.

But there America re-enters the picture. For as "constructive engagement" collapsed and police repression waxed in South Africa, protests by blacks and liberals gathered force in America. In response to that pressure — and to embarrass the Reagan administration — both Houses of Congress have approved economic sanctions against South Africa. But sanctions can only harden the resolution of the regime, while weakening the economic power of the blacks, who need jobs and purchasing power to back up strikes and boycotts.

The sad fact is that the United States has only the most limited ability to influence events in South Africa. Overplaying that weak hand is buying a ticket to watch a catastrophe.

Los Angeles Times Syndicate.

A Continuing Tragedy of Too Little Too Late

WASHINGTON — The South African government is once again a day late and a concession short in its drive to forestall the inevitable. Conciliatory words that have signaled a breakthrough a few years ago come across now as empty justification for armed repression.

The repression itself might have worked a few years ago to produce at least a uneasy calm. Now it serves only to radicalize the black population, threatening to turn what the government calls "riot" into full-fledged revolution. The time-tested way of dealing with violent uprisings is to isolate the radical leadership while making serious concessions to the rank and file. South Africa is expert at isolating, but incompetent at making concessions. Again

and again, it makes concessions only after the thing conceded has ceased to hold even symbolic importance.

Negotiations, in fact, may be the way out of the turmoil and injustice in South Africa. The danger is that the government, once again being too clever for its own good, will try to negotiate with its own handpicked "trustees," rendering any agreement worse than useless. The government knows which black leaders have the confidence of the majority. If the whites really are ready for peaceful change (as opposed to buying time to retain their absolute power), they know how to do it. The fear is that they will, as has become their sorry custom, do too little too late.

—Syndicated columnist William Raspberry.

Americans Send Mixed Signals From the Hill

WASHINGTON — Pressed by growing turmoil in southern Africa and increasing outrage at home, the U.S. Congress has at last determined to try a more interventionist policy. Taken separately, its provisions — particularly on South Africa — are a courageous departure. Taken together, unfortunately, they send a dangerously mixed signal that is more likely to encourage conflict and repression than to bring about the reform that Congress seeks.

On July 11, in separate actions, the House and Senate voted in opposite directions. The House, determined to support anti-Communist resistance movements around the world, voted to repeal the Clark amendment, which prohibits military intervention in Angola, and to terminate all military and non-emergency economic aid to Mozambique unless that country kicks out its Soviet-led military advisers. The Senate followed up with a bill to impose economic sanctions on South Africa.

These steps can seem to put the United States on the side of justice,

behind Africans fighting both Communist domination and racial oppression. But in Africa the reaction is likely to be closer to disbelief.

Consider Angola's reaction to the vote on the Clark amendment. Since 1976, when the amendment ended CIA involvement in the Angolan civil war, relations have inched uneasily forward. The United States does not officially recognize Angola, but the Reagan administration has conducted extensive negotiations with Luanda over independence for Namibia and the departure of Cuban troops from Angola. American commercial interests in Angola, particularly in oil and banking, have expanded considerably. But these achievements, and larger U.S. goals, are now at risk. Just two days after the House vote, Angola angrily broke off talks on Namibia and Cuban troop withdrawal.

The amendment's repeal makes it harder than ever for the Angolans to send the Cubans home. It revives the threat of U.S. military involvement on the side of anti-government insurgents and thus encourages Luanda's

dependence on aid from the Soviet bloc. Instead of promoting America's role as an honest broker, the repeal confirms Angolan fears that Washington sides with South Africa.

Congressional action on Mozambique risks a similar reversal. Relations have improved since 1984, when President Samora Machel signed the Nkomati accord with South Africa. He has sought Western aid and technology, encouraged the local private sector and promoted trade with the West — a significant turnaround for a committed Marxist. But now the House seems to be telling him that all this is insufficient: Unless he sends some foreign military advisers, he will lose U.S. development aid.

How will these mixed signals play in Pretoria? It is there that they may do the most damage. South Africans will argue that the sanctions are just a ritual gesture to appease American protesters. Citing the votes against Angola and Mozambique, hard-liners will deny that the sanctions represent an enduring shift in U.S. policy. Mixed signals from America will encourage South Africans to conclude that, if forced by events, America will choose apartheid rather than Communism for southern Africa.

South Africa's initial response to the sanctions is likely to be irreflexive defiance of the kind it showed last week in declaring a state of emergency. Calmer reflections on the costs of resisting outside pressures may follow, but unless the contradictions in America's signals are reversed in conference, they can only dilute the effect of an unprecedented bipartisan stand against one of the world's most pernicious oligarchies.

—Pauline H. Baker, a former staff member of the Senate Foreign Relations Committee, writing in The New York Times.

Vietnam in Isolation for How Long?

By John Gittings

LONDON — Clouds over the Chinese mountains are reflected in still paddy water on the Vietnamese side, but it is not quite a traditional landscape. A gutted locomotive stands before the ruined border town of Dong Dang, threatened by Chinese troops in the old French fort above. No Taoist immortal sits on the highest peak; only a Chinese radar sweeping the sky.

Foreign observers wondered during Vietnam's recent dry season of offensive in Cambodia why China had failed "to teach Hanoi a second lesson." The physical reality on this closed border — where the railway once led all the way to Moscow — is that Beijing is teaching Hanoi a lesson every day of the year.

Vietnam is now one of the most isolated countries in the world. The only legal form of exit is by a handful of air services — two a week to Bangkok, one from Ho Chi Minh City to Paris, two to the Socialist bloc and a shaky link via Laos.

"If Beijing offers to shake hands, we will not refuse," says a senior Vietnamese leader. "We would much prefer to exchange the present state of cold war for one of peaceful coexistence with our neighbor, even though it would still be another form of struggle."

In late April two Vietnamese delegates attended a United Nations conference held in Beijing about the Palestine Liberation Organization, but their tentative contacts with the Chinese yielded nothing. There has been talk of other meetings, perhaps in Bangkok and New York, with equal lack of results. The Chinese demand, supported by the United States, its Western allies and the Association of South-east Asian Nations with lesser de-

grees of enthusiasm, is for a total withdrawal from Cambodia by the Vietnamese army. The majority of foreign diplomats in Hanoi agree that this is not a negotiating offer. "It is one of those issues — just as Afghanistan is for the Soviet Union — where the U.S. has no material interest in offering to strike a reasonable bargain," says one Western diplomat with no great sympathy for the Vietnamese case.

Vietnamese leaders, casting one eye over their shoulders at the Chinese-Soviet negotiations, put this case in the most emotional terms of international realpolitik. A minimalist attempt to construct a rational American argument in favor of normalizing relations with Hanoi. "If Vietnam is isolated," he argues on behalf of Washington, "it has no choice but to strengthen its ties with Moscow. That is simple logic."

In effect the Vietnamese are offering to draw a line at the present extent of Soviet influence in their country. The Russians have "base facilities" (not an actual base with physical territory) for their fleet at Cam Ranh Bay, plus air cover. It is a respectable presence, but it could still be flattened by American firepower from Subic Bay and Clark air base in the Philippines.

The Russians, who bear the weight of a \$4-billion debt and support for most of Vietnam's major industrial projects, say they would be delighted if the West stepped in on the economic front. A high Soviet source explains that they only insist on maintaining their "parity-to-parity" relations with Hanoi. Faced with what at present ap-

pears to be a non-negotiable situation, the Vietnamese naturally claim that, if necessary, they can solve the Cambodian problems by themselves. The foreign minister, Nguyen Co Thach, insists that by the end of 1985 Vietnam will have cumulatively withdrawn one-third of its troops from Cambodia since the first withdrawals began in 1981. "Come back in 1987 or 1988 at the latest," says a minister with determined cheerfulness. He forecasts that by then the Vietnamese presence would be reduced to a small mobile intervention force.

Those foreign countries (and they are few) who try to mediate sympathetically between Vietnam and its enemies urge it to realize that China will never permit a military solution in Cambodia, and that Vietnam is doomed to poverty well into the 21st century unless it can find a negotiable way out.

The Vietnamese leaders are often accused of enjoying their predicament, because they suffer from a "war psychosis" or because they "need a foreign enemy" or both. This sort of analysis is on a par with the bellicose image of China painted in Western propaganda until President Richard Nixon decided to open the door to Beijing.

But, as with China in the 1960s, the isolation of Vietnam also helps to reinforce dogmatism and negative diplomatic postures. Vietnam will also be wary — just as Mao Zedong was during China's decade of isolation — of offering a softer face that might be slapped down.

The writer, who visited Vietnam last month, is a Southeast Asia specialist on the foreign desk of The Guardian in London.

The Charge Can Finally Be Dropped

By Stephen S. Rosenfeld

WASHINGTON — The question of whether it was wise and necessary for the United States to use nuclear weapons against an enemy in wartime has always seemed to me curi-

died. Of course it was. The interesting question over the years has been whether, as some believe, the United States dropped the bombs on Hiroshima and Nagasaki to intimidate an ally in peacetime.

Did Washington mean to initiate "atomic diplomacy" and make the Soviet Union bow to postwar U.S. territorial and political designs? Did America take the leap into the atomic age, in the process killing great numbers of Japanese, primarily to impress Stalin and advance otherwise unworthy American interests?

On both sides, those who have debated this question have understood what a terrible and indefensible thing that would have been. Among other results, it would have put upon the United States the principal blame for destroying the wartime anti-Nazi alliance and starting the Cold War.

For exactly this reason the Soviets, playing on the still considerable American feelings of guilt and confusion about the bomb, continue to insist that the United States in 1945 did indeed practice "atomic diplomacy." Just the other day in Geneva, George Arbatov and Andrei Gromyko's son Anatoli renewed the charge that the bombs had been dropped to impress the Kremlin.

I first came upon this accusation in 1965 upon publication of Gar Alperovitz's "Atomic Diplomacy: Hiroshima and Potsdam," a provocative revision of the generally benign and then generally accepted view of the decision to use the bomb. Mr. Alperovitz argued that the atomic bomb had determined much of Harry Truman's ostensible shift to a tough anti-Soviet policy in Europe.

In due time scholarly responses were prepared, using materials not available when Mr. Alperovitz was writing. This makes it possible, I believe, to support the simple, square, old-fashioned view that Truman dropped the bomb to win the war, and to support that view not simply on the basis of a distaste for the revisionist blame-America historians of the 1960s and 1970s but on the basis of the historical record.

There was, to be sure, a great flush of excitement when news of an impending bomb first spread. Daniel Yergin recalls Secretary of State James Byrnes saying privately that the first test in New Mexico "had given us great power." Winston Churchill was elated that "we now had something in our hands which would redress the balance with the Russians." Secretary of War Henry Stimson, detecting "a great change . . . in my own psychology," thought America had the "master card" to a postwar settlement.

"Most of the Americans who knew about the bomb thought it could be put to work in diplomacy," Mr. Yergin writes in "Shattered Peace," "but did not know how." They never learned. Mr. Stimson brimmed with fuzzy thoughts about vast, newly conferred American influence in Asia as well as Europe. But the specific application he came up with was not to wield the bomb as a stick but to offer it to the Russians as a carrot. The Russians would not have it.

Avrover Harriman, then America's ambassador in Moscow, says that at the crucial pre-Hiroshima Potsdam summit the bomb "never entered the discussions." Flying home from Potsdam, Charles Bohlen and Llewellyn Thompson, America's top Soviet hands, pondered its possible influence on U.S.-Soviet relations and found no way to bring it to bear.

Adam Ulam, the Harvard scholar, adds in "Dangerous Relations" that "no one has presented a single piece of evidence showing that the U.S. ever employed its then monopoly of nuclear weapons to wrest concessions from the U.S.S.R. And, even more to the point, no one has explained what it was that the American atomic blackmail allegedly prevented the Kremlin from doing."

Mr. Ulam offered a footnote to his book in a conversation the other day. The Soviets never brought up the charge that the United States had attempted to use its nuclear monopoly for coercive political purposes, he told me, until the American revisionist historians started writing about it. That is to say, the whole notion of "atomic diplomacy" arose in the first instance not from real Soviet apprehension and not even from Soviet propaganda but from the workings of America's free society.

The Washington Post.

LETTERS TO THE EDITOR

The Nazi Record Is There

Those who nodded when President Reagan, trying to defuse Bitburg, dismissed the Nazi movement as the work of "one man" should keep an eye on your "From Our Pages" series of news from 50 and 75 years ago. The items from July 16 and 17 about anti-Jewish riots in Berlin in 1935 refuse that naive interpretation. With humble honesty, could we not learn from the dismal record?

MARK SHAPIRO.
Boulogne-Billancourt, France.

The Communists in Chile

Peter D. Bell's opinion column "Chile's Bullied Democrats Ought to Be Supported" (July 16) is patently Moscow-inspired propaganda. However distasteful one may find Augusto Pinochet's dictatorship, there should be no place in your prestigious newspaper for such absurdities as Mr. Bell's assertion of Chilean Communists' "long adherence to the rules of Chilean politics."

J.P. WARD.
London.

Learning From Africans

I was delighted by the opinion column "Africa: Ills of Dark Continent Can Be Cured" (July 17) by C. Payne Lucas and Kevin Lowther. I did a doctorate in anthropology in Burundi, where I quickly realized how much we have to learn from the Africans. Their mysticism, love of nature and respect for wisdom would be healthy influences in our materialistic, gadget-oriented societies. The complexity of the languages indicates a superior level of intelligence. When will the West stop judging other civilizations by its own rigid standards of efficiency and production?

ANNE STANFORD.
Palma de Mallorca, Spain.

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SCIENCE

Pentagon Project for Superfast Chips Is Revolutionizing the Computer Revolution

By William J. Broad

New York Times Service

A quiet breakthrough in the creation of ultra-powerful silicon chips is propelling the computer revolution into new realms. Greater and greater speed of computation has always been a goal of computer scientists, but now they are starting to build chips that are so fast, the tiny devices can master complexities and irregularities of nature that previously eluded them.

For example, computer technology had been too slow to get a grip on radio waves; these speed-of-light signals would have to be translated almost instantaneously into the digital pulses that are the language of computation. Now, "superchips" are being produced that can do that and more, bringing the power and precision of the digital revolution to bear on what scientists call signal processing.

The Defense Science Board, which advises the U.S. Defense Department on matters of research, has hailed the development of these chips as the Pentagon's single most important program for creating new technology, surpass-

ing even the radar-evading "stealth" bomber or laser weapons. The reason is that the chips promise to revolutionize the design of tanks, ships, planes, radar, sonar, satellites, submarines, missiles — in fact, nearly everything that runs on electricity.

The chip breakthrough has been brought about by a surge in capabilities of materials scientists as they have learned to manipulate molecules and even atoms the way other technicians use nuts and bolts.

Abetted by nearly \$1 billion in U.S. government funds, the computer chip is going from thousands of transistors on each tiny square of silicon — once an incredible capacity — to tens of millions of transistors.

"This country has adopted a military posture in which we try to counter the numerical superiority of our adversary with advanced technology," said E. D. Maynard Jr., director of the Pentagon's superchip program. "Given that posture, we have to stay at the forefront. That's what the program is all about."

The Pentagon's quest for superchips is known as VHSIC (pronounced VEE-sick), an acronym for Very High Speed Integrated Circuits. Although the Pentagon is pioneering the technology, aspects of it are starting to appear in civilian markets as well.

All along there have been two thrusts toward greater speed: the much-discussed supercomputer and the less-visible superchip. The appeal of the supercomputer has been its great flexibility. The chips, on the other hand, are extremely specific in their tasks. VHSIC chips, being produced by Pentagon contractors in 36 varieties, are designed to do single jobs and do them exceedingly well.

VHSIC is also different from the race for powerful memory chips, an area in which the Japanese have excelled. Memory advances are mainly achieved by repetition of electronic elements and good quality control, whereas the design of the advanced central processing units (and some specialized types of memory) is much more challenging and has remained out of Japanese reach so far.

"They're good in implementation, not innovation," said Dr. Gene Strull, general manager for the Advanced Technology Division of Westinghouse Electric Corp., a VHSIC contractor.

The high-speed chips are so revolutionary that many European nations have asked for the technology, a request the security-conscious Pentagon has turned down. "There's no access," said Dr. Strull.

Dr. Strull, a general manager for the Advanced Technology Division of Westinghouse Electric Corp., a VHSIC contractor, said the French minister of defense, "VHSIC has tremendous promise, but the program is completely closed to the allies."

The six American pioneers of VHSIC technology are Honeywell, Hughes Aircraft, International Business Machines Corp., Texas Instruments, TRW (now part of Motorola), and Westinghouse (now part of the National Semiconductor Corp.). The program, begun in 1980, is scheduled to receive more than \$1 billion from the government by the time it ends around 1990. The first chips are just ap-

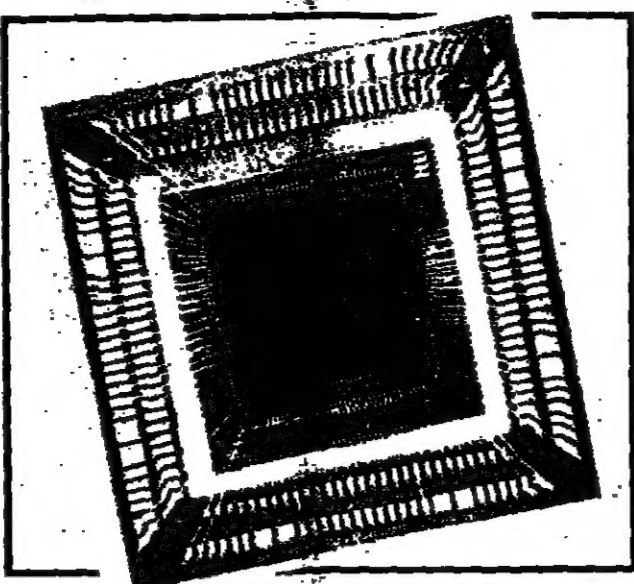
pearing in military systems, with vastly more powerful ones on the horizon.

Pentagon officials say VHSIC has two goals. The first phase, which ends this year, aims at the creation of chips with "clock rates," or data processing speed, of 25 million hertz, or cycles per second. The second phase is aimed at clock rates of 100 million hertz.

The central processors in most home computers today run at one million or two million hertz at best. The speedup is achieved by shrinking a chip's key elements. The time a chip's switches take to determine mainly by the time it takes electricity, moving at the speed of light, to flash from one component to another. Using the breakthroughs of materials science to shrink the distance between the transistors and other components on a chip, everything can happen faster.

The industry standard for the size of components is now about 3 microns (a human hair being about 100 microns wide). Phase one of VHSIC achieved a size of 1.25 microns, while phase two aims at half a micron.

An added allure of the incredible shrinking chip is the achievement



One of the new Very High Speed Integrated Circuit chips.

of greater power, since many more components can be squeezed into a small space. Phase-two chips will contain tens of millions of transistors. "It's been fascinating to watch these advances," said Dr. Jack Kilby, who in 1958 co-invented the silicon chip and later helped develop the VHSIC program. "We've come further and faster than anyone expected."

The high speeds of VHSIC technology are opening new realms in the digital revolution, according to scientists and government officials. In the past, chips set their own agenda and pace. Now VHSIC technology is accelerating the trend by which chips take on challenges and the extremely high speed of some phenomena in the real world.

At the heart of these developments is the ability to represent lightning-fast phenomena precisely, in digital form, rather than in imprecise waves, as in analog systems. Digital systems represent information in the form of pulses that are either on or off, but not in between, allowing for great precision. Analog systems represent information in the form of waves, such as a television signal or the grooves of a record. The waves and

lot of instruments and hollow buttons, Mr. Ogard said.

The trick, he added, will be not only to extract the air without contaminating the sample but to do so without destroying the instrument. Equipment, frequently consisting of needles that can be inserted into the items, is being made; but each item will probably call for a different piece of equipment, he said.

In addition, some way must be found to prove that the air contained in the item is as old as the records indicate.

"We're finding it very difficult to do that," Mr. Ogard said. One possibility would be to sample some items of the same type that the numbers would yield some degree of confidence.

It will be equally important to be sure that the carbon dioxide was actually in the air when the item was sealed; the item, for instance, must not have been sealed by flame because burning produces carbon dioxide, Mr. Ogard said.

U. S. Scientists Look for Antique Air

By Lee Dye

Los Angeles Times Service

SCIENTISTS at Los Alamos National Laboratory in New Mexico are searching for old, sealed items that might contain "old air." This could help determine whether the world is experiencing a "greenhouse effect," or warming trend brought on by increased carbon dioxide in the atmosphere.

The scientists believe that if items that have been sealed for many years could be opened under laboratory conditions, the air inside them should tell how much carbon dioxide was in the atmosphere when they were sealed. If the items can be dated precisely,

the results could provide a record of the changes in the level of carbon dioxide.

Many scientists believe the burning of fossil fuels is raising the level of carbon dioxide in the air. Carbon dioxide traps solar radiation in the Earth's atmosphere, almost like a glass shield, thus causing the greenhouse effect. That could lead to rising temperatures worldwide, possibly several degrees over the next century, the Environmental Protection Agency estimates.

The presence of carbon dioxide in the air has been measured in some areas as high as 330 parts per million, which is believed by some scientists to be substantially higher than the level before the start of the Industrial Revolution.

Some scientists, however, dispute the theory that the greenhouse effect is occurring.

The search for "historical air," which has just begun, has been concentrated so far in museums, where the records needed to date the items should be most complete, said Allen Ogard of the Los Alamos lab, which is operated by the University of California for the U.S. Energy Department.

Finding the right items "doesn't look like it's going to be easy," Mr. Ogard said. "We are finding that most things that can be opened, have been."

It is also proving difficult to extract the air from sealed items without tampering it, he said.

Those problems notwithstanding, Mr. Ogard and another researcher, Jane Poths, have asked museums across the country to try to find items that could yield air samples for the study. He said that such things as hollow buttons from military uniforms, which can be dated precisely, and hollow decorative hardware are among the artifacts they are seeking.

Possibly the most promising items are old nautical instruments that had to be sealed against salty air. These can be dated reliably, and service records should indicate whether they have been opened.

The search has turned up some drug bottles in Maine that were sealed nearly 100 years ago, and a

Letters, Documents

On Captain Cook's Explorations Sold

LONDON — Letters that belonged to the 18th-century British explorer Captain James Cook, and documents about his voyages, have been sold for £129,470 (about \$180,000) at Sotheby's in London.

The papers, including letters from King George III, came from the Sandwich family trust. The 4th Earl of Sandwich, who died in 1792, was first lord of the admiralty and sponsored Cook's voyages.

Cook discovered the Hawaiian Islands in 1778 and named them the Sandwich Islands after his patron, but that name went out of use.

Cook was the son of a Yorkshire farm laborer. He joined the Royal Navy in 1755 and made three long voyages to the Pacific. He charted the coasts of New Zealand, Australia and North America as far north as the Bering Strait. He also plotted the locations of many Pacific Islands and was responsible for Britain's acquisition of its Australian territories.

In 1779, when Cook was 50, he was killed by islanders in a beach scuffle at Kealahou Bay, Hawaii.

IN BRIEF

Largest Known Space Entity Found

Scientists at Kitt Peak National Observatory in Tucson, Arizona, have spotted a supercluster of galaxies one billion light-years long, probably the largest known entity in space, according to Jack O. Burns, a University of New Mexico astronomer. A light-year is almost six trillion miles.

Scientists believe formation of such a cluster would require more gravitational force than previously attributed to all galaxies and stars known to humans, Dr. Burns said. "The universe must be dominated by some form of dark or unseen matter" that could be made of "the exotic particles predicted recently by high-energy physicists," he said.

In another study, physicists from the University of California at Berkeley, Princeton University and McMaster University in Ontario report that data collected aboard a balloon 24 miles above Earth provide the most convincing support to date of the "big-bang" theory that the universe began with the explosion of a superdense primordial state.

The physicists found that relatively short wavelengths of cosmic background radiation closely fit the spectrum of light that would remain from such an explosion. Professor Paul Richards of Berkeley said, "Observing that light is the strongest single piece of evidence for the big bang. No one can figure out any other reason for that radiation being there."

Another recently reported astronomical finding is a superdense star that spins 100 times a second and gives off unusual irregular pulses of X-ray radiation. Found by a European Space Agency satellite, the star, called a QPO for quasi-periodic oscillations, was reported on by the British science journal Nature by Michael van der Kluis of the space agency's Space Science Department in Noordwijk, the Netherlands. (AP Wire)

Age for Depression's Onset Dropping

CAMBRIDGE, Massachusetts (UPI) — The age at which a person is most likely to experience a major depression for the first time has been dropping steadily over this century, according to a national study coordinated by researchers at Harvard Medical School.

The study found that while women born in the 1930s were most likely to experience a major depression at about the age of 50, the onset of depression for women born since 1950 is likely to be before age 30.

While women are more susceptible to depression than men, the difference between men and women in rates of depression seems to be diminishing, the study said. That difference was greatest for the older groups studied.

New Device Measures Plant Stress

RICHMOND, Washington (UPI) — Scientists at the Battelle Pacific Northwest Laboratories here believe they have come up with a device for detecting and measuring plant responses to environmental conditions.

Possible uses of the Ceres device, named after the Roman goddess of agriculture, include predicting irrigation schedules, evaluating the effectiveness of fertilizers, or determining the impact of pollutants. The device is based on the physiological principle that, as plants are stressed, tiny pores on their leaves, called stomata, open or close.

Opening or closing of the stomata causes a slight change in the diameter of the plant's stem as water is retained or expelled by the plant. This change is detected by the Ceres device, said Dr. Peter A. Bostlow, one of its inventors. He said researchers could document the response of seedlings to vehicle exhaust within two minutes of exposure.

Proteins Clue to Viral Complications

SEATTLE (UPI) — Doctors have long been puzzled as to why certain viral diseases, such as measles, influenza and mononucleosis, and the vaccines against those diseases can in rare cases lead to severe complications such as encephalitis and other diseases of the nervous system.

The best-known example occurred during 1976, when a U.S. vaccination campaign against swine flu was called off after a number of people developed a complication called Guillain-Barre syndrome. Now a team from the University of Washington medical school has found that the viruses contain proteins that are similar to some proteins making up the nerves' protective myelin sheath.

When after infection or vaccination the immune system produces antibodies tailored to attack the virus proteins, they said, the antibodies also may attack the myelin sheath, causing the complications.

Ancient House Found in Jerusalem

JERUSALEM (UPI) — A leading Israeli archaeologist has unearthed remains that he termed the oldest house found so far in Jerusalem, dating back 2,000 years before the time of King David, who is thought to have died in about 962 B.C.

Yigal Shiloah, head of archaeology at Hebrew University, said he found the rectangular house on the side of the hill known as the City of David, believed to be the oldest part of Jerusalem, about 400 meters south of the Old City. The house was probably inhabited by Jebusites or Canaanites, Dr. Shiloah said.

He has excavated only the main room of the house and said he did not know how many rooms it had. He identified it as a house by the large number of utensils found in it.

Treating Cowdriks, 'Uncombed Hair'

CHICAGO (UPI) — Doctors from the Medical College of Ohio in Toledo say treatment with biotin, a B vitamin found in small amounts in most foods, can tame a rare childhood condition known as "uncombed hair" and could help people with cowdriks, or unruly tufts of hair.

In the Journal of the American Academy of Dermatology, Dr. Walter B. Shelley said uncombed hair, slow-growing and straw-colored, "stands out, totally noncompliant with the wishes of any comb." He said cowdriks, which afflict about 3 percent of the population, might be a "localized" version of uncombed hair, which appears normal but under a microscope displays defects.

Dr. Shelley said he used biotin to treat a young boy with uncombed hair because it had been used to promote hair growth in bald babies with nutritional deficiencies. After four months, the boy's hair "became pliant and somewhat combedable," Dr. Shelley said.

Rapid Particulate-Counter Developed

LIVERMORE, California (UPI) — A new system that provides continuous information about the exhaust particles produced during combustion can help scientists design acceptable ways of generating electricity from coal, according to James Wang of Sandia National Laboratories here.

Dr. Wang said test results indicated the Sandia system could provide the first rapid, reliable information about the amount and size of particles inside a variety of combustion systems. The system could also provide information about combustion effluents or airborne particles, data critically needed in hospitals, microelectronics factories, foundries, gas turbines and hot gas cleanup equipment associated with most dirty fuel combustion systems.

The system, developed with funding from the U.S. Department of Energy, collects particle samples, sorts them according to size and determines the amounts of particulate matter in a given volume. It also cleans the particle collectors automatically for continuous operation.

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Paquete Remunerativo de Primer Orden

Empresa internacional de primera línea dentro de su plan de inversiones y desarrollo, busca cubrir el puesto indicado con base en España. Reportando al primer nivel de la misma será responsable de la elaboración del Plan Estratégico Tecnológico a Corto, Medio y Largo Plazo, así como de las actividades de I+D+D implícitas, todo esto a nivel nacional e internacional. La coordinación de actividades en este campo, creación de nuevas áreas de negocio así como tecnologías propias o formando "joint-venture" con otras empresas privadas o públicas nacionales y extranjeras serán también de su incumbencia.

El puesto requiere un profesional de primer nivel en este campo, con experiencia específica en Gestión de Tecnología en empresas de relieve, buen conocedor de los desarrollos nacionales e internacionales en el sector Químico y campos industriales anejos a la industria Química de base y dominando el idioma inglés (otros idiomas se valorarán). El ámbito en que se moverá abarca ideas, productos, y tecnologías sin olvidar la visión económica o de gestión que deberá presidir su actividad.

El paquete remunerativo estará a nivel internacional, contemplando beneficios extrasalariales muy importantes aparte de una remuneración de primer orden que se determinará durante las entrevistas. Ref. AS/457.

En este caso nuestro cliente participa en el proceso de Selección, desde las primeras fases, por lo que si no desean que su currículum sea entregado a alguna empresa en concreto deberán constar en la carta que nos dirijan.

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TIME



Photo: S. Fukunawa

From this moment on...

"Early on the morning of August 6, 1945, the *Enola Gay*, named for the pilot's mother, cut east to west across the rivers of Hiroshima, opened its hatches, and an atom bomb fell free. From that moment to this, nothing has ever been the same in the world."

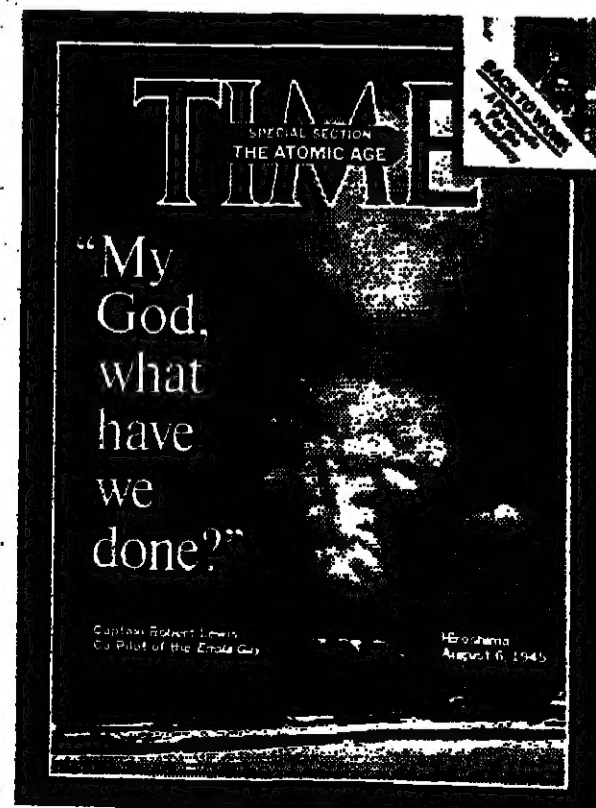
So begins the cover story in this week's TIME, Roger Rosenblatt's survey of the forty-year Age of the Atom—an age characterized not by a hero or an idea, but by a weapon and a threat.

The story offers four perspectives on that day's reality: as seen by a Hiroshima schoolboy; by a physicist who observed the mission; by former President Nixon, one of only eight Americans in history with the power to approve the use of nuclear

weapons; and by American writers, painters and film-makers whose works assimilate the monstrous possibilities of what surely may be called the age of anxiety.

These diverse views of the influence of the Bomb on peace, war, science, culture, the conduct of life and the survival of conscience, sometimes conflict and sometimes coincide. But as Rosenblatt points out, "Everybody lives in Hiroshima": it is a responsibility that will not go away. This extraordinary article explores the ways people cope with this self-imposed handicap, and even find ways to make it work for the common good.

This is the kind of journalism that attracts to TIME 32 million men and women readers around the world every week.



More goes into it.

WALL STREET WATCH

There May Be Some Life Left in the Old Bull Yet

By EDWARD ROHRBACH

PARIS—Is it any wonder that everybody on Wall Street is taking the pulse of the stock market? After all, it has never labored at this high an altitude before. And now, almost three years after its birth in August of 1982, the bull market is almost exactly at that stage in life when historically prices have started to go downhill.

But there is growing controversy now about just how old and infirm the bull market really is. "One cannot escape raising the issue of whether a new market cycle began in the summer of 1984," said Leon Cooperman, chairman of the investment policy committee at Goldman Sachs.

His answer is a "weak no," but that reflects a shift from the firm's long-standing position that Wall Street is in the late stages of its advance from three summers ago.

Elliott Gornblatt, director of sector analysis for Shearson Lehman Brothers, has no doubt about her optimistic diagnosis: "This upturn in the stock market is not the second leg but a new bull market."

She views last July as a "bear market bottom" to the downturn that began about a year earlier. It was a period when assorted Wall Street indices fell 14 to 32 percent. She notes that in the past 12 months the S&P 500, NYSE, Wilshire and NASDAQ composites are up about 30 percent, with the lagging Dow, Value Line and Amex up about 25 percent.

"Although the S&P 500 is now 12 percent above its October 1983 peak, the Amex and NASDAQ are still about 7 to 10 percent below their June 1983 peaks," she pointed out. "The Dow is only 4 percent above its November 1983 peak."

The 1983-84 bear market was similar to the 1962 and 1966 bear markets, which were associated with economic slowdowns and not recessions, she said, adding that the gain in stock prices from the 1962 bottom was 75 percent before the next bear market and the comparable advance after the 1966 trough was 48 percent.

ROBERT Farrell, chief market analyst at Merrill Lynch, this week also pronounced that the market was "in good shape."

But he thinks the vital signs may be tricky, because "the longer a trend persists without interruption, the greater the probability of some deterioration or the development of a top. Accordingly, the market's pattern of the past three summers—that is, a poor beginning followed by a decisive upturn in August—could be reversed in 1985."

Eugene Peroni, technical analyst at Bateman Eichler Hill Richards of Los Angeles, also likes the patient's health.

"The incremental steps to new highs indicate good technical conditioning that should help to prevent a serious decline over the short run," he said. "This gradual and consistent progress is somewhat in contrast to the market's behavior in the first quarter, but the psychological tone among investors is similar. This is a dull market that breeds doubt among many observers regardless of their sympathies toward either the bullish or bearish side."

Nobody ever accused the stock market of having a heart, but if it did, it no doubt would be the IBM, Byron Wines, head of U.S. portfolio strategy for Morgan Stanley, makes that point in noting that Big Blue's appetite is so voracious it adds sales every year the equivalent of a company the size of Digital Equipment. Yet IBM has been off its feed in 1985 and he observed, and "Some observers are using this disappointment to explain the confusing behavior of the whole stock market."

Even if IBM is currently feeling a little under its belt, he believes, he recommends the stock. "What we are witnessing is the rocky shift from an earnings-driven stock market to one in which

Currency Rates

Cross Rates	July 24
Australian dollar	1.35
British pound	1.60
Canadian dollar	0.75
Deutsche mark	2.35
French franc	6.55
Italian lira	1,360
Japanese yen	160
Netherlands guilder	3.60
New Zealand dollar	0.45
Portuguese escudo	200
Spanish peseta	166
Swiss franc	1.50
Swedish krona	4.60
Taiwan dollar	20
Thai baht	50
West German mark	2.35
Yen	160

Other Dollar Values	July 24
Australia	1.35
Canada	0.75
France	6.55
Germany	2.35
Italy	1,360
Japan	160
Netherlands	3.60
Portugal	200
Spain	166
Sweden	4.60
Switzerland	1.50
Taiwan	20
Thailand	50
UK	1.60
West Germany	2.35
Yen	160

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Interest Rates

Interest Rates	July 24
1 month	7.50%
3 months	7.50%
6 months	7.50%
1 year	7.50%
2 year	7.50%
3 year	7.50%
4 year	7.50%
5 year	7.50%
10 year	7.50%
30 year	7.50%

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Brazil Criticizes Creditors

Rates Termed 'Exorbitant'

By Richard House

Washington Post Service

SAO PAULO—President José Sarney of Brazil has sent a stern public message to his nation's creditors complaining of "exorbitant interest rates" and accusing the International Monetary Fund of "dogmatic intransigence."

In an address Monday to mark the three months since the death of Tancredo Neves that thrust Mr. Sarney into office, the president said that, although he had inherited the worst crisis in the nation's history, he refused to be a "caretaker of catastrophe."

He outlined a plan of social priorities that would demand a minimum of a 5- to 6-percent rate of "economic growth without inflation."

Brazil would honor its commitments and has no wish to create an impasse with creditors, he said, but it was time they realized that the country was powerful enough to look after its own interests.

"We won't allow the dogmatic intransigence of international financial organizations to force an unnecessary recession on us," said Mr. Sarney, alluding to the IMF.

Mr. Sarney's more belligerent stance came as Brazil and its creditors were again involved in negotiations after a six-month delay while the government changed.

The IMF is considering whether a recent \$6.5-billion package of public spending cuts and success against inflation, now forecast at 140 percent instead of 250 percent, are sufficient grounds for restarting the flow of cash to Brazil.

Mr. Sarney attacked "exorbitant interest rates which we have to suffer our economy to repay" and insisted on a steady increase in spending on urgent programs for health, education and housing.

New Measures in Mexico
Mexico is preparing a new round of actions to bring the country's increasingly shaky economy under control, The New York Times reported Wednesday from Mexico City.

While no details were announced, President Miguel de la Madrid said the additional changes would include reducing government spending by cutting operations of both the federal government and its industries; removing the application process intended to protect against imports and replacing it with a tariff-based system; and revising the system of foreign exchange to give additional advantages to non-petroleum exports and protect foreign reserves.

Source: Reuters, Mexico City.

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Mario L. Pifreiro by a soap-wrapping machine at a plant in Avellaneda, Argentina.

Argentine Executives Try to Adapt To Business Life Without Inflation

By Lydia Chavez

New York Times Service

BUENOS AIRES—For Mario L. Pifreiro, a 64-year-old Argentine executive, the prospect of living in a world without inflation is both attractive and unsettling.

Mr. Pifreiro, who manages the household-products company of Alejandro Llauro & Sons, favors a stable economy. But after years of adjusting his business practices to acute inflation, he and other executives have come to think of such stability as a dusty textbook concept.

If President Raúl Alfonsín's anti-inflationary program works, rampant inflation will disappear and Argentine businessmen's carefully honed survival skills will become obsolete.

"Most of the people who work here are younger, and their only knowledge of how to manage in a stable economy comes from books," Mr. Pifreiro said recently.

"Even I have forgotten," he said. "We're going to have to adapt and think in a more rational way. In inflation you are always attentive to momentary opportunities. Now things will work more logically."

(Continued on Page 15, Col. 1)

So adept had Mr. Pifreiro become at managing Alejandro Llauro & Sons that there was still money to be made with inflation at 30 percent a year, he said. But running the company, which has sales of about \$24 million a year, became increasingly difficult as inflation

NYSE Most Actives				
Vol.	High	Low	Last	Chg.
Philip's	29.04	27.9	27.9	+1/4
AT&T	28.04	27.0	27.0	+1/4
IBM	27.04	26.0	26.0	+1/4
Amgen	26.04	25.0	25.0	+1/4
Amgen	25.04	24.0	24.0	+1/4
Amgen	24.04	23.0	23.0	+1/4
Amgen	23.04	22.0	22.0	+1/4
Amgen	22.04	21.0	21.0	+1/4
Amgen	21.04	20.0	20.0	+1/4
Amgen	20.04	19.0	19.0	+1/4
Amgen	19.04	18.0	18.0	+1/4
Amgen	18.04	17.0	17.0	+1/4
Amgen	17.04	16.0	16.0	+1/4
Amgen	16.04	15.0	15.0	+1/4
Amgen	15.04	14.0	14.0	+1/4
Amgen	14.04	13.0	13.0	+1/4
Amgen	13.04	12.0	12.0	+1/4
Amgen	12.04	11.0	11.0	+1/4
Amgen	11.04	10.0	10.0	+1/4
Amgen	10.04	9.0	9.0	+1/4
Amgen	9.04	8.0	8.0	+1/4
Amgen	8.04	7.0	7.0	+1/4
Amgen	7.04	6.0	6.0	+1/4
Amgen	6.04	5.0	5.0	+1/4
Amgen	5.04	4.0	4.0	+1/4
Amgen	4.04	3.0	3.0	+1/4
Amgen	3.04	2.0	2.0	+1/4
Amgen	2.04	1.0	1.0	+1/4
Amgen	1.04	0.0	0.0	+1/4

Dow Jones Averages				
Vol.	High	Low	Last	Chg.
Composite	115.04	114.0	114.0	+1/4
Industries	114.04	113.0	113.0	+1/4
Utilities	113.04	112.0	112.0	+1/4
Transportation	112.04	111.0	111.0	+1/4
Finance	111.04	110.0	110.0	+1/4

NYSE Index				
Vol.	High	Low	Last	Chg.
Composite	115.04	114.0	114.0	+1/4
Industries	114.04	113.0	113.0	+1/4
Utilities	113.04	112.0	112.0	+1/4
Transportation	112.04	111.0	111.0	+1/4
Finance	111.04	110.0	110.0	+1/4

NYSE Closing				
Vol.	High	Low	Last	Chg.
Composite	115.04	114.0	114.0	+1/4
Industries	114.04	113.0	113.0	+1/4
Utilities	113.04	112.0	112.0	+1/4
Transportation	112.04	111.0	111.0	+1/4
Finance	111.04	110.0	110.0	+1/4

AMEX Diaries				
Vol.	High	Low	Last	Chg.
Composite	115.04	114.0	114.0	+1/4
Industries	114.04	113.0	113.0	+1/4
Utilities	113.04	112.0	112.0	+1/4
Transportation	112.04	111.0	111.0	+1/4
Finance	111.04	110.0	110.0	+1/4

NASDAQ Index				
Vol.	High	Low	Last	Chg.
Composite	115.04	114.0	114.0	+1/4
Industries	114.04	113.0	113.0	+1/4
Utilities	113.04	112.0	112.0	+1/4
Transportation	112.04	111.0	111.0	+1/4
Finance	111.04	110.0	110.0	+1/4

AMEX Most Actives				
Vol.	High	Low	Last	Chg.
Philip's	29.04	27.9	27.9	+1/4
AT&T	28.04	27.0	27.0	+1/4
IBM	27.04	26.0	26.0	+1/4
Amgen	26.04	25.0	25.0	+1/4
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Amgen	9.04	8.0	8.0	+1/4
Amgen	8.04	7.0	7.0	+1/4
Amgen	7.04	6.0	6.0	+1/4
Amgen	6.04	5.0	5.0	+1/4
Amgen	5.04	4.0	4.0	+1/4
Amgen	4.04	3.0	3.0	+1/4
Amgen	3.04	2.0	2.0	+1/4
Amgen	2.04	1.0	1.0	+1/4
Amgen	1.04	0.0	0.0	+1/4

Dow Jones Bond Averages				
Vol.	High	Low	Last	Chg.
Composite	115.04	114.0	114.0	+1/4
Industries	114.04	113.0	113.0	+1/4
Utilities	113.04	112.0	112.0	+1/4
Transportation	112.04	111.0	111.0	+1/4
Finance	111.04	110.0	110.0	+1/4

Dow Average Continues Slide

The Associated Press
NEW YORK — Prices on the New York Stock Exchange posted a broad loss Wednesday in a carryover of selling from late in Tuesday's session.

The Dow Jones average of 30 industrials, down 5.83 on Tuesday, dropped 9.63 to 1,342.18 an hour before the close.

Although prices in tables on these pages are from the 4 P.M. close in New York, for time reasons, this article is based on the market at 3 P.M.

Losers outnumbered gainers by nearly 3 to 1 among New York Stock Exchange-listed issues.

Analysts said the market had come a long way in a short time in its rally over the past two and a half months.

The temptation to cash in some profits, they

noted, has been heightened lately by the leveling off of the bond market after a sharp decline in interest rates.

Rates were little changed in the credit markets Wednesday. There are widespread doubts in the financial world that they will go much lower in the near future.

For the stock market's rally to continue, many analysts believe, the economy will have to fulfill hopes for a resumption of steady growth, boosting corporate earnings.

DuPont dropped 4 to 60. The company reported second-quarter profits of \$1.10 a share, down from \$1.81 in the comparable period last year.

The NYSE's composite index fell 1.12 to 110.57. At the American Stock Exchange, the market value index was off 1.67 at 233.48.

Volume on the Big Board came to 104.96 million shares with an hour to go.

Steel Production in U.S. Off Sharply in First Half

Reuters
BRUSSELS — Steel output in the United States fell sharply in the first half of 1985, but production in the European Community and Japan rose slightly, the International Iron and Steel Institute said Wednesday.

The institute's monthly bulletin reported that output by the U.S. industry, which has been struggling against import competition, shrank by 12 percent to 40.9 million metric tons.

EC production totaled 61.5 million tons, up

1.1 percent, and Japanese output was 53.5 million tons, a rise of 2.6 percent.

Crude steel output in the 30 countries covered by the institute's figures totaled 220 million tons in the half year, down 1 percent from the first half of 1984.

Last week the Organization for Economic Cooperation and Development said leading steel producers in the West and Japan were heading for a renewed squeeze in the second half of 1985. It warned of falling prices, demand and output and rising competition.

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BUSINESS ROUNDUP

Daimler's Dornier Unit Says '84 Net Rose 22%

By Warren Giedler
International Herald Tribune
 MUNICH — Daimler-Benz AG, the West German aerospace group, reported Wednesday a 22-percent increase in net profit to 31.8 million Deutsche marks (\$11.2 million) in 1984 from 26 million DM a year earlier.

U.K. Shipbuilders Reports Decline in Annual Revenues

LONDON — British Shipbuilders reported Wednesday that its revenues fell 2.4 percent to \$265.9 million (about \$1.2 billion) from \$286.3 million in the year ended March 1.

A spokesman for the state-owned company said losses for the year, including £27.56 million in extraordinary items, fell to £106.8 million from £232 million the year before. He said trading losses declined to £25.2 million from £160.9 million.

Graham Day, the chairman, said the company's financial performance should continue to improve despite current depressed ship prices and despite a lack of significant improvement in world demand for new merchant ships.

Mr. Day said that despite progress in many areas, British Shipbuilders would continue to operate in difficult circumstances. "In a market where Far East shipbuilders persist in selling and financing sales on terms which do not cover costs, let alone provide profit, European shipbuilders, their employees and governments inevitably pay the price," he said.

"Unless more responsible policies are adopted in South Korea and Japan it is difficult to see how any European shipyard can maintain its capacity," he added.

French Bank Cuts Base Rate
 PARIS — Credit Commercial de France has cut its base rate by 0.4 percentage points to 10.85 percent, effective immediately, a spokeswoman said Wednesday.

1985 profits at Dornier, which earlier this year was acquired by Daimler-Benz AG, the West German automaker. He said however, he estimated that group revenue would climb to 2 billion DM from 1.5 billion DM in 1984, led by brisk sales in space technology and electro-medicine equipment.

Mr. Fischer said 1984 profit was depressed by two factors. Production technology costs for its new commercial utility aircraft, the Dornier 228, were considerably above expectations, and returns on subcontracting work on several European Airbus Industrie aircraft were below expectations.

Military orders accounted for 46 percent of total orders last year, down from 51 percent in 1983. A board member, Karl-Wilhelm Schiffer, said Dornier had received 89 firm orders for its new 228 plane, an order flow that would keep production at capacity through the end of this year.

The company hopes to expand sales of its small commercial aircraft in the United States, where a major expansion of its sales network is planned.

Company executives say that Dornier will compete for major contracts from the West German government to build helicopters, a sector that has been dominated in West Germany by Dornier's bigger aerospace rival here, Messerschmitt-Bölkow-Blom.

Japan to Study Making JAL Fully Private

TOKYO — The Transport Ministry will study whether to make Japan Airlines Ltd. a fully private company, a ministry official said Wednesday.

The government now owns 33.7 percent of JAL and the airline is partially managed by the government.

The study is part of a broad review of deregulation in the aviation industry following a U.S.-Japan agreement on April 30, which ended JAL's monopoly of Japan's international air freight services and allowed the Japanese freight line, Nippon Cargo Airlines, to provide trans-Pacific services.

The agreement also provides for more passenger services between Japan and Micronesia and across the Pacific, and suggests that Japan's two domestic airlines, All Nippon Airways Ltd. and Tokai Domestic Airlines Ltd., be allowed to start international services, industry sources said.

The Transport Ministry said it would also study whether to open international routes to the domestic airlines, as proposed in the U.S.-Japan agreement, and whether to allow more competition on domestic routes.

IBM Wins Approval For Plant in Mexico

MEXICO CITY — International Business Machine Corp. has been granted government approval to operate a wholly owned subsidiary to build personal computers in Mexico.

The National Commission on Foreign Investments announced Tuesday that it had approved the proposal, which had been negotiated for more than two years.

The commission also announced approval of several other U.S. and European investment projects with majority foreign ownership. They include a \$250-million tourism development project on Isla de Piedra near the Pacific coast resort of Mazatlan by the U.S.-owned BMA Co. of Mexico.

IBM will invest \$91 million over the next five years in the microcomputer project and has agreed to export 92 percent of its production, the commission said. The technology gap between what is produced in Mexico and abroad will be no more than six months and 15 percent, according to the announcement. It said supply industries are to be developed in Mexico.

IBM, which has been operating in Mexico for more than 50 years and was recently authorized to make electronic typewriters here, will build its System-31 microcomputer in the new project.

Approval came after IBM presented a revised proposal, the commission said. An earlier plan was turned down in January after it drew protests from 30 other companies who make personal computers in Mexico, most of them assembled from imported kits and with majority Mexican ownership.

They argued that a wholly owned IBM operation would have an unfair advantage and could drive them out of business.

But the commission said that because IBM would be exporting 92 percent of its production, the smaller companies would be protected.

Under a 1973 law, Mexicans must own more than 51 percent of subsidiaries of foreign companies operating in the country. But the law was relaxed last year to allow up to 100-percent foreign ownership in 17 fields.

Du Pont Profit Drops in 2d

WILMINGTON, Delaware — The Du Pont Co. on Wednesday said its second-quarter earnings were \$268 million, 39 percent below the record net income it posted for spring 1984. The company said it earned \$1.10 per share for the quarter on sales of \$8.5 billion, which fell 6 percent from last spring's \$9.1 billion in sales that produced record quarterly earnings of \$437 million, or \$1.81 a share.

Bull Results Show Return to Balance In First Half of '85

PARIS — Compagnie des Machines Bull, the French government-owned computer group, returned to balance in the first half after a consolidated net group loss of 258 million francs (about \$30 million) in the first half of 1984, the company said Wednesday.

Sales rose by 23 percent to 7.4 billion francs from 6 billion a year earlier, but this rise partly reflected the restructuring of the group's commercial network in the first half of last year.

Group sales for 1985 are expected to rise by around 17 percent from the 1984 level of 13.6 billion francs, an increase in line with last year's 16.8-percent rise.

Bull said forecasts for activity in the second half indicated that the group would probably return to financial balance in 1985. It reported a consolidated net loss of 489 million francs last year.

CURRENCY MARKETS

Dollar Rises in Europe on Quiet Day

LONDON — The dollar ended Wednesday generally higher in Europe, reaching the day's high against major currencies in London. Some dealers cited short-covering in the rise.

Most dealers said there was no new major economic impetus and sentiment remained soft in the foreign-exchange market for any major move.

The dollar ended the day in Frankfurt at 2.8734 Deutsche marks, up from 2.85 DM Tuesday, at \$1.397 to the pound in London, a strengthening from \$1.4125, and at 8.723 French francs, up from 8.665.

Dealers said the dollar was still deriving residual support from the 1.8-percent rise in U.S. June durable-goods orders, announced Tuesday, and was still trading in a range between 2.84 and 2.90 DM.

Dealers said erratic trading was dominated by the dollar. While the pound fell against the dollar it continued firm against Continental currencies.

Dealers said the pound was very resilient to the dollar's afternoon rise and only fell below \$1.40 when the U.S. currency broke above 2.88 DM in London.

News from the current meeting of the Organization of Petroleum Exporting Countries was insubstantial during the day and so the depressing effect of future lower oil prices on the pound continued to be overshadowed by high British interest rates.

A dealer for a U.S. bank said that Wednesday's buying was mostly technical. He said there was a gap on charts up to 2.8950 DM. He said he believed that traders were attempting to push the dollar

to this level before taking profits. The dollar's firmer performance came despite a lower federal funds rate earlier in the day of 7 9/16 percent, compared with Tuesday's average 7.83 percent. Federal funds are overnight loans among U.S. commercial banks.

No U.S. major economic data is due until next Tuesday's U.S. merchandise trade figures for June. After banks wound down in London, U.S. operators took swift profits on the U.S. currency, taking it off its highs to below 2.88 DM again.

The lira continued weak, slipping to 1,927 to the dollar at the close yesterday at 1,917 and the close yesterday at 1,923.

In Tokyo, the dollar was little changed against the yen, closing at 238 yen, compared with 239 Tuesday.

THE EUROMARKETS

Eurobond Market Is Firmer

LONDON — The Eurobond market ended a shade firmer where it had started after a quiet day's trading, although dealers said dollar straight issues were below the levels seen Wednesday morning.

At the close, dollar straight issues were unchanged to 1/4 point higher, having slipped a little from opening levels following the lower start on the U.S. credit markets, dealers said. But they said the market here was kept underpinned by a relatively low Federal Reserve Board funds rate of 7 1/2 percent.

Wednesday's major developments:

Mitsubishi Bank Ltd.'s London branch is arranging a 50-million-Euro-denominated certificate of deposit issuance facility, the first of its kind, according to the lead manager, Chemical Bank International Ltd.

The facility has a life of five years and will provide for the issuance of three and six-month CDs, which will bear interest at the interbank offered rate minus 1/4 percent. The CDs will be priced on a discount-to-yield basis.

A tender panel of banks will bid competitively for the CDs, Chemical added.

United Inc., a specialty women's clothing and lingerie retailer with more than 2,000 stores in the United States, is issuing a \$50-million convertible Eurobond with an indicated coupon of 6 1/2 percent, the lead manager, Swiss Bank Corp. International, said.

The issue will have a put option after five years at a price that will

give a yield of around 9 1/2 percent. The conversion price will be fixed to give a premium of 20 to 24 percent over the company's share price at the close of Wall Street trading on July 30.

The bond is callable if the company's share price exceeds the conversion price by more than 130 percent. It would be called at 106 percent before 1990, declining by 1 percent per year thereafter to 101 percent at the final maturity is Aug. 15, 2000. The issue is available in denominations of \$1,000 and \$10,000 and will be listed in Luxembourg.

H.J. Heinz Co. is issuing a 37.5-million-Australian-dollar, 12 1/2-percent Eurobond due Aug. 28, 1990, and priced at 100 1/2, book-runner Orion Royal Bank Ltd. said. The issue is noncallable.

Fees total 2 percent, with a 1 1/2-percent selling concession and 1/2 percent for combined management and underwriting fees.

Tenneco Reports Drop In 2d-Quarter Earnings

HOUSTON — Tenneco Inc. on Wednesday reported its second-quarter earnings declined 25.4 percent, to \$164 million from \$220 million in 1984. The per-share earnings were \$1.03 a share, down from \$1.45.

Revenues were \$3.8 billion in both periods.

An Orion official said the issue was not related to a swap transaction, an unusual feature for an Australian dollar borrowing. The official said the bonds were selling well, and are currently offered at less 1/4.

The bonds are available in denominations of 1,000 dollars, will be listed in Luxembourg and be payable in Australian dollars. The pay date is Aug. 28. Commerzbank AG is the other lead manager for the issue.

The Federal Business Development Bank of Canada said in a London newspaper announcement that it was calling its 60-million-Canadian-dollar issue of 11 1/2 percent Eurobonds due in 1990 for early redemption on Aug. 23.

ADVERTISEMENT

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The undersigned announces that as from July 29, 1985 at Koo Associates N.V., Spilstraat 172, Amsterdam, div. op. no. 45 of the CDRs Xerox Corporation, each repr. 1 share, will be payable with Dfls. 2.11 net (div. per record-date 6-07-1985: gross \$—75 per share) after deduction of 15% USA-tax = \$—1225 = Dfls. —37 per CDR. Div. op. belonging to non-residents of The Netherlands will be paid after deduction of an additional 15% USA-tax (= \$—1125 = Dfls. —37) with Dfls. 1.74 net.

AMSTERDAM DEPOSITORY COMPANY N.V. Amsterdam, July 15, 1985.

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U.S. Car Sales Business Tries to Adapt in Argentina

Fell by 7.3% In Mid-July

United Press International

DETROIT — U.S. automakers reported Wednesday that sales dropped 7.3 percent in mid-July as Ford Motor Co. and Chrysler Corp. increased their share of the market at the expense of General Motors Corp.

The seven companies, GM, Ford, Chrysler, American Motors Corp., Honda Motor Corp., Volkswagen of America and Nissan Motor Manufacturing U.S.A. reported combined sales of 216,727 cars in the United States during the period, compared with 233,826 units in the comparable period of 1984.

The daily selling rate of 24,080 cars compares with 25,981 in last year's period.

The annual rate for the industry during the period was 8.1 million cars, compared with 8.8 million last year. So far in 1985, the companies have sold 4.7 million cars, up 0.9 percent from 4.6 million units in the comparable 1984 period.

There were nine selling days in both periods.

The industry reported these figures for the 1985 period, compared with 1984: GM, 120,124 vs. 139,587, down 13.9 percent on a daily rate basis; Ford, 56,716 vs. 53,219 up 6.6 percent; Chrysler, 25,749 vs. 26,791, up 3.3 percent, excluding minivans.

Among the smaller companies, AMC reported 3,730 vs. 7,280, down 48.8 percent; Honda (U.S.-built models only), 3,603 vs. 2,733, up 31.7 percent; Volkswagen of America (U.S.-built), 1,816 vs. 2,216, down 18.0 percent, and Nissan 989 vs. 0 last year. Totals, 216,727 vs. 233,826, off 7.3 percent.

Nissan began production of its Sentra passenger car in Smyrna, Tennessee, in late March.

GM's market share dropped to 55.4 percent from 59.7 percent a year ago, while Ford's rose to 26.2 percent from 22.8 percent and Chrysler's rose to 13.7 percent from 12.3 percent.

The Daily Source for International Investors

(Continued from Page 9)

took a back seat because it was too expensive to borrow money, and no money was available for long-term investments.

When inflation reached 25 to 30 percent a month, long-term funds disappeared and all loans were set up to be repaid within seven days.

"There was a total decapitalization," Mr. Pifre said. "You can't grow if you can't invest money."

With the company's borrowing costs reaching about 15 percent a month in real terms, he said, borrowing was out of the question.

"Everyone caught on to the inflation strategy, and no one could win because no one was ready to lose," Mr. Pifre said. "It became a game of hide-and-seek."

To combat the problem, the Alfonsín administration unveiled an austerity program June 14 that included wage and price controls for an undetermined period of time. It also introduced a new currency, the austral, set at a fixed exchange rate of \$1.25 or 1,000 old pesos. Most

important for business executives, the government promised to improve its own efficiency and stop printing money to pay its expenses.

For Alejandro Liano & Sons, there was an immediate effect. Mr. Pifre's 20 trucks went out to deliver their goods but came back full. Buyers said they wanted to get their stock on hand before getting more. For the first time in years, they could be sure the prices would not be higher when the trucks returned another day.

Over the years, Mr. Pifre's 120-person sales force had polished its sales pitch for such products as detergent and soap to suit the inflationary environment. With the prospect of declining inflation, their theme, "Buy now because the price will be higher," just will not work.

Now, Mr. Pifre said, his sales force will have to be attentive to consumers' purchasing cycles and shoppers' ability to compare quality as well as price.

The austerity program immediately eased tensions for the four money managers at Alejandro Liano & Sons. With inflation run-

ning at more than 1,000 percent a year, the men were fully occupied with the task of making sure all of the company's money was invested in products or earning interest. Money lying about lost value at the rate of about 1 percent a day, he said.

"We feel enormously more at ease now," Mr. Pifre said. If the program is a success, four money managers will be unnecessary, along with the difficult task of keeping books on nearly daily movement of funds, he said.

A long-term effect of the austerity plan, Mr. Pifre said, is that his company's production costs will matter again. The most efficient suppliers will be the winners, and a lower inflation rate will make capital projects a possibility.

Just after Mr. Alfonsín's package was announced, the cost of long-term funds fell to 7 percent a month, from 25 percent. If the program works, the cost could drop to 2 or 3 percent a month.

There are serious concerns about the program, he said. "It's probable that some businesses are going to fail and be left on the side, and it's not ours," he said. "I just hope it isn't us."

Taking the Pulse of the Aging Bull Market

(Continued from Page 9)

the valuation placed on a given level of high-quality profits will be increasing.

Martin Zweig headlines his current edition of Zweig Forecast, "A limping economy is actually a plus for the stock market."

"The best bull markets have always developed out of a lousy business environment — more often a recession," he said.

What happens, he noted, is that as industrial production gets sick, the Federal Reserve eases and interest rates drop, reviving the stock market. "Don't let a sour outlook for profits derail you from this bull market," he asserted.

That is also the view of Suresh Bhargava, chief portfolio strategist at First Boston. "If Wall Street takes a breather," he said, "anyone soon, he will be an investor to become 'aggressive buyers.'"

But is anything currently ailing Wall Street? "Euphoria is absent, but there is a good deal of complacency,"

warned Terry C. Webb, manager of U.S. investments at Foreign & Colonial Management Ltd. in London. A \$1.35-billion closed-end fund, begun in 1969, that is recognized as the world's oldest investment trust group.

He sees evidence of this in the emphasis being placed on "sectors that have already done well," such as regional banks and specialty retailers, where he thinks price-earnings ratios are becoming high.

Mr. Webb does not think interest rates will go down further and views Wall Street prices now as already reflecting recent rate declines. "As things stand, no further rise on Wall Street is justified," he said.

Because he thinks easing by the Fed should produce a strong 1986, the fund is staying fully invested on Wall Street, "but we're in no great rush to put in new money."

Typical of stock markets that are "late in the cycle," he added, "there is no general theme, no trend" to follow currently on Wall Street.

This makes stock selection paramount, he said.

Stocks he said the fund owns and probably will add to if the market gets cheaper, as he expects in the coming months, are HybridTech, Lotus Development, MTV Networks, Princesville Development, Telxon and Xerox.

Goodyear Profit Fell By 20% in 2d Quarter

The Associated Press

AKRON, Ohio — Goodyear Tire & Rubber Co. said Wednesday that second-quarter sales declined 2.2 percent, resulting in a 20-percent drop in net earnings, to \$6.7 million.

For the second quarter, earnings were \$6.7 million, or 81 cents per share, on sales of \$2.59 billion, compared with earnings of \$10.6 million, \$1.02 per share, on sales of \$2.65 billion.

Earnings

Revenue and profits, in millions, are in local currencies unless otherwise indicated.

United States Amchem (H.F.)

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Airborne Air Freight

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Alcoa

2d Quar.	1985	1984	
Revenue	4,56	4,56	
Net Inc.	1,12	1,12	
Per Share	1.12	1.12	
1st Half	1985	1984	
Revenue	9,12	9,12	
Net Inc.	2,24	2,24	
Per Share	2.24	2.24	

Amer. Brands

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Amstar

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Bell & Howell

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Bemis

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Bestfoods

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Bio S Ind.

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Cabot

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Cardinal

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Chubb

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Coca-Cola

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Coleman

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Cons. Edison

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Cons. Freshwaters

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Cons. Telecom

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Cram

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

General Motors

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Goodyear

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Guarantee Fin.

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Hartman

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Home Fed. Bk. of N.Y.

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Howard Savings Bk.

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Illinois Tool Works

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Kansas City Sthers

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Kimberly-Clark

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Lincoln

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Lockport

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Marshall Field

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

McKesson

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Media General

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

MetLife

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

Midland-Ross

2d Quar.	1985	1984	
Revenue	1,144	1,062	
Net Inc.	2,52	2,52	
Per Share	1.36	0.54	
1st Half	1985	1984	
Revenue	2,288	2,124	
Net Inc.	5,04	5,04	
Per Share	2.72	1.11	

SPORTS

Dodgers' Hershiser Holds Pirates to 1 Hit

Compiled by Our Staff From Dispatches

LOS ANGELES — Orel Hershiser may be taking a page from the book of Hall-of-Famer Noodles in his first start as a pitcher. The 26-year-old right-hander, who has been in the Dodgers' rotation since he was traded from the Cincinnati Reds, held the Pirates to one hit in a 1-0 victory Tuesday night.

BASEBALL ROUNDUP

Los Angeles Dodgers 1, Pittsburgh Pirates 0. Orel Hershiser pitched a one-hitter, struck out seven and walked one in his first start as a pitcher. The Dodgers' offense was limited to a single run in the eighth inning.

San Diego Padres 4, New York Mets 0. Rick Sutcliffe pitched seven strong innings and Kye Sandberg had four hits and scored twice as the Padres defeated the Mets.

St. Louis Cardinals 6, Philadelphia Phillies 1. Mike Schmidt homered and drove in three runs, and Bo Diaz hit his first two home runs of the year to pace the Phillies' rout of the Cardinals.

Los Angeles Angels 4, Texas Rangers 3. In San Francisco, Darrell Porter drove in two runs with a homer and a bases-loaded walk to help St. Louis past the Angels.

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Hershiser, who turned in a one-hitter against the Padres on April 26 and also has a two-hitter and three-hitter among his 10 victories in 13 decisions this season, struck out seven. It was his fourth shutout and sixth complete game of the year.

"The win against San Diego was much better," he said. "I had much better stuff. I might have kept the Pirates off balance with my wildness."

The Dodgers gave him all the runs he needed by scoring three times in the fourth against Rick Reuschel. Steve Sax had a two-out, two-run single and Hershiser played Sax with a single of his own.

Guerrero, Greg Brock and Mike Scioscia also had run-scoring hits; Ken Landreaux had three hits and scored twice.

Hershiser is hardly shy on the subject of no-hitters. "Every time I walk out to the mound I think about pitching a perfect game," he said. "I think about reaching the

first batter and every other one after that."

"He's got good stuff, that's all there is to it," said Thompson. "I hit a fastball. He runs his fastball away. And he's got a good sinker—it's like hitting a brick."

Cubs 8, Padres 1. In San Diego, Rick Sutcliffe pitched seven strong innings and Kye Sandberg had four hits and scored twice as Chicago handed the Padres their third straight defeat. Sutcliffe, the 1984 Cy Young Award winner, had been restored to active duty earlier in the day after being on the 15-day disabled list. He allowed six hits, walked one and struck out four.

Reds 4, Mets 0. In New York, Tom Browning pitched his second shutout and third complete game of the year and Dave Parker hit his 200th career homer, a two-run shot, as Cincinnati stifled the Mets. A run-scoring double gave Pete Rose a career total of 4,159 hits, leaving him 33 shy of Ty Cobb's all-time record of 4,191.

Cardinals 6, Giants 3. In San Francisco, Darrell Porter drove in two runs with a homer and a bases-loaded walk to help St. Louis past the Giants. Winnet Danny Cox went the route for the eighth time this season.

Rangers 5, Indians 4. In the American League, in Arlington, Texas, rookie center fielder Oddibe McDowell became the first player in the franchise's 14-year history to hit for the cycle in helping Texas down Cleveland. McDowell, a 1984 Olympian and the 1984 U.S. amateur player of the year, had two singles, a double, a triple, a home run and drove in three runs. He also has eight consecutive hits, tying the club record set by Rico Carty in 1973.

Angels 4, Brewers 0. In Milwaukee, Brian Downing homered and Rod Carew had three hits, including an RBI single, as California increased its Western Division lead to 6½ games. Kirk McCaskill pitched his first major-league shutout.

Blue Jays 4, Mariners 2. In Toronto, Doyle Alexander struck out a career-high 11 and Damaso Garcia's two-run double capped a three-run eighth that put the Blue Jays past Seattle.

Red Sox 3, A's 2. In Boston, Mike Easler and Rich Gedman hit back-to-back second-inning home runs and Bruce Hurst, walking one and striking out 11, recorded his fifth straight victory.

White Sox 5, Tigers 3. In Chicago, Britt Burns' string of scoreless innings ended at 19½, but he struck out 11 and scattered six hits to lead the White Sox past Detroit.

Royals 5, Yankees 2. In Kansas City, Missouri, Jim Sundberg had three RBIs and Dana Leary doubled, tripled, drove in a run and scored another to pace the Royals' second straight defeat of New York.

Twins 5, Orioles 2. In Minneapolis, Garry Gaetti, Kent Hrbek and Tom Brunansky drove in first-inning runs, and Minnesota hung on to beat Baltimore. The Orioles have lost six of their last eight games.

(AP, UPI)



Orel Hershiser

Women Beginning to Blend In With the Globetrotters' Weave

By Barry Jacobs

New York Times Service

CHARLOTTE, North Carolina — Gradually, fitfully, the three women moving near the top of the key numbers in the figure-eight weave.

Some were floating smoothly before Coach Larry (Gator) Rivers, stationed by the foul line, and lo and behold, as he interspersed passing the basketball with making it undulate around his body to the strains of Brother Bones' version of "Sweet Georgia Brown," a bit of Harlem Globetrotter magic materialized in the stately Charlotte Coliseum.

Watching and awaiting their turns to try the routine, 15 other women cheered and applauded.

Rivers said the weave, a warm-up drill, is "the rhythm section, the area that sets the tempo" for the Globetrotters' ballhandling wizardry and comic flair, which annually attract 1.2 million customers to arenas around the world.

But business has been suffering recently. Some of the exhibition team's comic acts have grown stale, according to the team's president, Paul Duryea. Meanwhile, more and more professional and college players display dazzling dexterity, silencing the Globetrotters' appeal. "If we had continued in the same fashion," said Duryea, "we probably would have been out of business in a few years."

Then came the 1984 Olympics and a gold medal for the U.S. women's basketball team. After taking over management of the Globetrotters earlier this year, Duryea set out to add at least one woman to the team.

After the Charlotte tryout, which ended Wednesday, six to eight women will be invited to attend the Globetrotters' summer camp beginning Sept. 30. There, women will probably be selected to become Trotters. The show's 60th season begins 17 days later in Brisbane, Australia.

Rivers, the player-coach, is seeking women who are skilled perimeter players with good hands and quick reflexes. "I've seen some girls who are going to give our guys fits," said Rivers after one day's ballhandling drills and full-court scrimmages.

The first-year coach admitted surprise at the intensity and rough play, but guard Sandra Hodge said she was nothing new. In fact, she said, such ignorance of women's play underlines the importance of the Globetrotter opportunity.

"I think having a woman on the team could be a big thing — the recognition we get now is really poor," said Hodge, who averaged 26.7 points a game at the University of New Orleans, the highest career average in women's National Collegiate Athletic Association history, and played professionally in Sweden last year.

"You have so many women who finish college who are really good but have no place to go in this country," Recognition was suitably plentiful at the tryout sessions in Charlotte. Before and after each two-hour workout, and during brief rest breaks, reporters swarmed around Rivers and the more renowned women, such as the Olympic captain Lynette Woodard and Pam and Paula McGee, who were two-time NCAA champions at Southern Cal.

Early speculation had the McGee twins and Woodard as favorites to make the Globetrotters, but the twins' strength is playing near the basket, where men would be likely to overpower them.

Woodard, on the other hand, seems well suited for the team's needs. A 5-foot-11-inch (1.77-meter) guard, she's the cousin of recently retired Globetrotter Hubert (Goose) Austin and already knows many of the

team's routines. And apart from her playing skills, she has a big smile and an easy charm — "that little shot of charisma" Duryea says he's looking for.

Others who have impressed are Hodge, a flashy, slender shooting whiz, and the stocky, aggressive playmaker Joyce Walker, a three-time all-America at Louisiana State from 1981 to 1984.

"This is like a dream to me," said North Carolina State's Linda Page, echoing a constant theme among the women during the tryouts. Said Woodard: "I'm in basketball heaven."

But once they make the team, women can expect less dreamlike conditions. The State Department has warned Duryea that female players may be barred from the court when the overseas tour reaches Saudi Arabia, and perhaps other Middle Eastern countries.

Then too there will be the burden of representing women's basketball, the glare of public scrutiny and long days of travel in a male-dominated entourage.



Lynette Woodard: 'I'm in basketball heaven.'

Marino Seeking Fatter Contract

By Michael Janofsky

New York Times Service

NEW YORK — Dan Marino, the Miami Dolphins quarterback, reluctantly began training camp this week. Marino wants a new contract, something Joe Robbie, the team's owner, had promised him in

NFL TRAINING NOTES

January, during the week before the National Football League's Super Bowl XIX.

But so far, Robbie has not engaged Marino's attorney, Marvin Demoff, in any substantive negotiations. Marino had considered staying out of camp, but agreed last weekend to report — with the understanding that Robbie would meet with Demoff this week.

As a rookie in 1983, Marino signed a four-year contract, worth approximately \$2 million. He is looking for a package that would pay him about the same as Joe Montana, the quarterback of the San Francisco 49ers, who makes in excess of \$1.1 million a year.

Coach Hugh Campbell of the Houston Oilers may find the pressure to turn things around a little

more acute this season. The Oilers, who have endured four straight losing seasons with a combined record of 13-44, have had more draft picks (30) in the first five rounds of the last four drafts than any other team in the NFL. Twenty-eight of those players are on the training camp roster; the other two were used in trades that brought in the running back Butch Woolfolk from the Giants and the center Jim Rouse from the Los Angeles Raiders. Of the 56 players who were on the Oilers roster in 1980, 42 are no longer in football.

The Los Angeles Rams made out well in their recent trade with Buffalo. Vince Ferragamo, the quarterback they sent to the Bills, had become nothing more than an appendage for them. In Tony Hunter, the Bills' first-round draft choice of 1983, the Rams got the most complete right end they've had since John Robinson became their coach in 1983. The only caveat as far as Hunter is concerned is his health. A bad back has limited him to part-time status in each of his two NFL seasons.

After watching him work out in informal drills, the 49ers are excited

about the wide receiver Jerry Rice, their No. 1 pick from Mississippi Valley State. At 6-foot-2 and 208 pounds (1.87 meters, 94.34 kilograms), Rice seems to have the size and strength to go over the middle, a route seldom run by San Francisco receivers other than Dwight Clark. "When we drafted Clark," he had caught something like 12 balls in his senior year. The great thing about Jerry is that he caught more than 130 passes in his senior year," Rice will probably start the season as the third receiver, behind Clark and Freddie Solomon.

With most NFL camps open, the pace of rookie signings is increasing, with the exception of those drafted on the first round. Only 11 have signed, and several general managers have pointed to the contract the linebacker Emmett King of Alabama signed with Cincinnati as a reason. King was the 25th player taken on the first round and one of the earliest to sign. Yet in the view of many agents, he agreed to terms far below what he might have received had he waited.

"What's happening," one general manager said, "is that many agents with unsigned No. 1 picks ahead of King are afraid to sign for less. That's what's holding up the round." King signed a four-year contract, with base salaries of \$125,000, \$150,000, \$175,000 and \$225,000, and a signing bonus of \$50,000. Overall, 214 of the 336 players drafted had signed through Monday.

The possibility that Anthony Carter of the Oakland Raiders might join the Miami Dolphins staggers the imagination. Attorneys for Carter are investigating how to free him from his obligation to the United States Football League team. He was a Dolphin draft choice in 1983; Carter, Mark Duper and Mark Clayton are all about the same size, under 5-10, and each has blazing speed. Throw in Nat Moore, the wise old receiver who had one of his best years ever last season, and the Dolphins have the capability of using formations with four wide receivers and no tight ends. Most defenses won't have enough able backs to cover all of them at once.

Jack Reynolds, the inside linebacker who retired from the 49ers after 15 NFL seasons, has agreed to return to the club as a training camp coach.

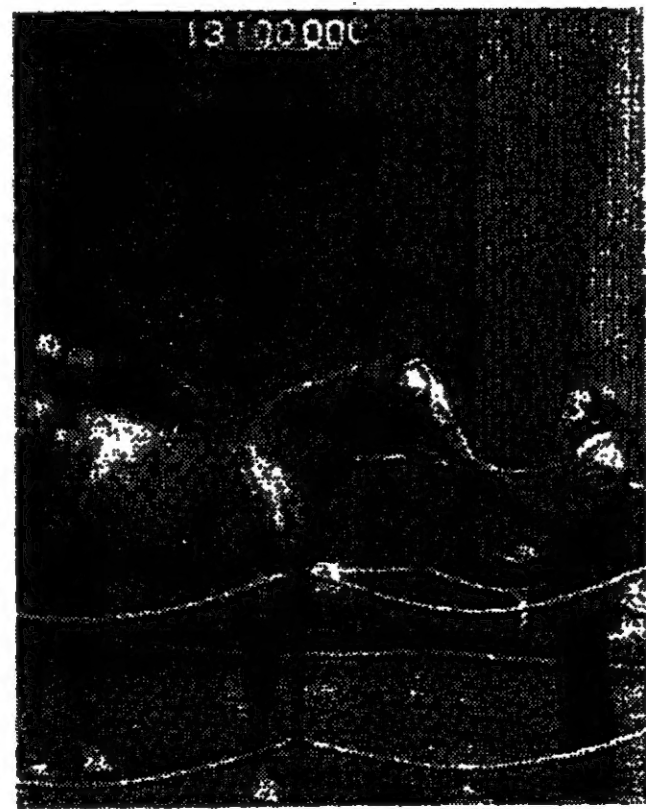
Pat Sullivan, the New England Patriot general manager, gives Gerard Phelan, the former Boston College receiver and a fourth-round draft pick, a good chance to make the club. "The coach likes him," Sullivan said, referring to Raymond Berry, "because he reminds him of himself." In his playing days with the Baltimore Colts, Berry was a favorite receiver of John Unitas.

Rebent Dolphin quarterback Marino, at practice on Tuesday.



Rebent Dolphin quarterback Marino, at practice on Tuesday.

SPORTS BRIEFS



The record-setting yearling son of Nijinsky II.

Colt Sets \$13.1-Million Auction Mark

LEXINGTON, Kentucky (AP) — A son of Nijinsky II was sold for \$13.1 million at the Keeneland yearling sales here Tuesday night, shattering the world record for a thoroughbred horse sold at public auction.

The bay colt, owned by Warner Jones Jr., was purchased by BBA-England on behalf of Robert Sangster, the English soccer-pool magnate. The previous record, \$10.2 million, was paid in 1983 by Sangster's Aston Upthorpe Stud for a colt by 1964 Kentucky Derby winner Northern Dancer out of the mare My Suerp.

The record-setter's dam is My Chatter, making him a half-brother to Triple Crown winner Seattle Slew. Nijinsky II, also a son of Northern Dancer, is a former European horse of the year and the sire of more than 80 stakes winners, among them Golden Fleece, the champion 3-year-old in England and Ireland.

IRS Seizes Property of NFL's Dorsett

DALLAS (AP) — Two houses belonging to Dallas Cowboy running back Tony Dorsett were seized Tuesday night in an effort to collect more than \$400,000 in back taxes, according to the Internal Revenue Service.

The houses could be sold within 30 days if tax debts allegedly owed for 1979, 1980 and 1981 are not satisfied, said Marlene Gayek, an IRS spokeswoman. She said the sales would satisfy the IRS liabilities, but that the National Football League player has 180 days from the date of any sale to pay the taxes and reclaim his property.

Apart from the tax liens, Dorsett was named in a civil lawsuit filed June 25 by First City Bank of Richardson (Texas), alleging that he had failed to pay a \$175,000 unsecured note signed in March. State district court records indicated Dorsett had not responded to the suit as of late Tuesday.

Missing Pitcher Suspended by Braves

ATLANTA (AP) — The Atlanta Braves have suspended without pay pitcher Pascual Perez, who has been missing since Sunday, when he worked ineffectively against the Mets in New York. The team's efforts to locate him have been unavailing.

Perez, who has been on the disabled list twice this season with an ailing right shoulder, has a 1-8 record and an earned-run average of 6.52; he has a one-year contract for a reported \$450,000. In 1984 he was 14-8 after missing spring training and the first month of the season because he had been jailed on drug charges in his native Dominican Republic.

SCOREBOARD

Baseball

Tuesday's Major League Line Scores

NATIONAL LEAGUE

St. Louis 10, San Francisco 1

San Diego 4, New York Mets 0

Los Angeles 4, Texas Rangers 3

St. Louis 6, Philadelphia Phillies 1

Los Angeles 4, Texas Rangers 3

St. Louis 6, Philadelphia Phillies 1

Los Angeles 4, Texas Rangers 3

St. Louis 6, Philadelphia Phillies 1

Los Angeles 4, Texas Rangers 3

St. Louis 6, Philadelphia Phillies 1

Los Angeles 4, Texas Rangers 3

St. Louis 6, Philadelphia Phillies 1

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St. Louis 6, Philadelphia Phillies 1

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Los Angeles 4, Texas Rangers 3

St. Louis 6, Philadelphia Phillies 1

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